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NEWS SUMMARY

GENERAL

Maudling attacks Poulson 'innuendo'

Reginald Maudling, "Shadow" Foreign Secretary, issued a statement attacking those he claimed had been smearing him with a campaign of innuendo over his link with John Poulson, the architect jailed for corruption.

He declared that since he resigned as Home Secretary more than three years ago, nobody had produced a shred of evidence that at any time when he was connected with Mr. Poulson he had acted illegally.

The statement followed a letter from Mr. Sam Silkin, Attorney-General, to Mr. Dennis Skinner, Labour MP for Bolsover, which said that the Government's law officers had taken no decision about Mr. Maudling and given no-one any assurance that he would not be prosecuted. Publication of the letter greatly embarrassed Mrs. Thatcher as well as Mr. Maudling, writes Richard Evans. Back Page

Swiss currency dealers fined

A former manager and former foreign exchange dealer of the Lugano branch of Lloyds Bank International were given suspended sentences and each fined after being found guilty of "disloyal" management and breaking Swiss banking law. Marc Colombo was also convicted of falsifying documents. Page 6

Girl murdered in IRA feud

A ...-year-old daughter of a Republican Clubs supporter was shot dead at her home in the Lower Falls area after ... members of the clubs ... were told by Official IRA leaders to stay away from their homes in the wake of Wednesday's onslaught by the Provisionals.

Minister quits

Rhodesian Information Minister Jack ... kus de Kock, who favours the ... tation of South Africa's ... an policy for his country, resigned from the Smith Cabinet ... years after UDI. Page 18

Crash kills 68

Sixty-eight people died when a ...-chartered U.S.-built ... with 115 Czech holiday-makers and five crew, crashed hitting a hilltop in heavy fog near Prague. There were 52 survivors.

Czechs win

England's unbeaten soccer run under Don Revie ended at nine when Czechoslovakia beat them 2-1 in Bratislava, after Mike Channon had scored first. The Czechs, with a game in hand over England, are now favourites to win Group 1 of the European championship.

Safety dip

Government will allow a free Commons vote next Wednesday on whether motorists should be compelled to use dipped headlights. Page 16

Briefly . . .

Three remaining defendants in the Ginger Marks murder trial were acquitted on the judge's direction at the Old Bailey.

The Synagogue in Archway, North London, was extensively damaged by a fire.

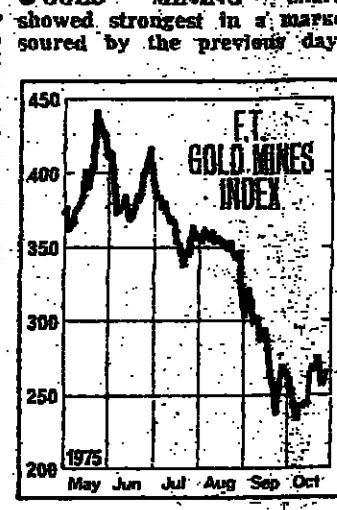
A bid to replace moderate Mr. Frank Tomney as Hammersmith North Labour MP was taken a stage further when the local management committee decided to put a motion asking him to retire to a special meeting.

... International is to erect the tallest Christmas tree in ... near County Hall, Westminster, as the focal point of a ... appeal for Canterbury Cathedral.

BUSINESS

Golds firm: Gilts unsettled

● GOLD MINING shares showed strongest in a market soured by the previous day's fall on Wall Street. The Gold Mines index put on 8.4 to 287.3, while the 30-share index lost 0.5 to 352.0.



● GILTS were still unsettled, and closed with longs down ¼ and shorts ⅛. The Government Securities index was 0.21 down at 57.84.

● STERLING closed at $2.0730, its depreciation was unchanged at 29.2 per cent., and the dollar's 2.71 per cent. (2.58).

● GOLD gained $¾ to $142¾.

● WALL STREET closed 0.79 up at 839.42.

● MACHINE TOOL orders are at their lowest level for 20 years, *according to provisional figures* released by the DoI. Some companies are working at 30 per cent. of capacity. Back Page

LABOUR

● MORE than 1m. of Britain's 3½m. clerical workers are dissatisfied with their working conditions, according to an office job agency survey. Page 15

● TGWU national officials are to be invited to urgent talks by the management of a container company over an alleged blacking campaign at its Birmingham base. Page 11. The union has won a test case *in its fight for* recruitment and recognition at Ladbrokes, when a tribunal recommended reinstatement of six members dismissed in a dispute. Page 11

● BRITISH LEYLAND truck and bus division has announced plans for employee-participation broadly in line with proposals drawn up after the Ryder report. Page 11.

Plea to EEC farm Ministers

● COMMON MARKET Agricultural Ministers have been asked by Mrs. Shirley Williams, U.K. Secretary for Prices and Consumer Protection to take more *account of consumers' interests* in deciding CAP. Page 37

EEC Commission has rejected a request by Community steelmakers for a six-month suspension of the levy they pay to the European Coal and Steel Community. Page 6. Instead, this year's level of levy will apply in 1976. Something of a "coal mountain" is developing in Germany, where Ruhrkohle is to shut pits for 10 days in *December because of mounting* stocks. In the U.K., the NCB has been ordered by the Commission to lower the prices for coking coal it charges to National Carbonising.

● FELIXSTOWE Dock shareholders complained of being given a "very raw deal" at the company's general meeting when they were told the dock was likely to be sold to British Transport Docks Board for £5¼m. Page 8

● HAWKER SIDDELEY talks with Studebaker Worthington about a £24m. half-share in Onan Corporation have broken down. Page 30 and Lex

Juan Carlos takes over from Franco

By ROGER MATTHEWS, Madrid Oct. 30

Prince Juan Carlos of Bourbon to-night assumed the powers of Spain's Head of State, thereby effectively ending the 36-year absolute rule of General Francisco Franco.

Although under Article 11 of the constitution the takeover is only temporary, official sources stressed there was no question of the ailing 82-year-old General ever being permitted to reassume power.

Senor Carlos Arias, the Prime Minister, has informed the Cortes (Parliament) of the decision, which is all he is obliged to do under the constitution.

General Franco has obviously not signed away his powers, which suggests the Prime Minister and the Prince provisionally agreed on this course of action at a 90-minute meeting this morning.

During this afternoon, it was learned that General Franco, though still critically ill, was not in imminent danger of dying.

This is believed to have finally decided the Prince and Prime Ministers, who have become worried over the power vacuum caused by the General's incapacity.

Interrupted

Previously, the Prince had stood out against a temporary hand-over of power. He had argued that last year's experience, when he was acting Head of State for six weeks during Franco's illness, must not be repeated.

But with the serious situation over the Spanish Sahara needing a major decision, it is understood that the Prime Minister's argument finally won the day.

To-morrow morning, the Prince will take the chair at the normal Friday Cabinet meeting, only the third time he has officiated. The meeting will be held in a building in the grounds of his residence, the Zarzuela Palace.

TV and radio programmes were interrupted to-night to give the news to the 35m. Spaniards who for the past nine days have been waiting for such an *announcement.*

The Premier and Señor Rodriguez de Valcarcel, who is the President of the Cortes and holds two other key posts, were this evening at Gen. Franco's home, the Pardo Palace.

Because of the takeover has been effected in this way, there is no immediate chance for the Prince to appoint a new Prime Minister.

Since the gravity of Gen. Franco's condition became clear on Tuesday last week, the Prince has been receiving a number of politicians in order to clarify his ideas on the post-Franco era.

His assumption of powers to-night will give him at least a short breathing-space in which to carry out the functions of Head of State, without having total responsibility.

For example, he neither becomes King of Spain—which can only happen when Franco is declared incapacitated or dies—or head of the National Movement, Spain's only permitted political organisation, which is headed by Franco for life.

Important

The Prince will now step up his preparations for a final takeover and will have to play an important role in negotiations with Morocco, Mauritania and Algeria over the decolonisation of the Spanish Sahara.

Ministers from all three countries have been in Madrid for the past two days and with an agreement probably not far way, Señor Arias was obviously anxious that the responsibility for any decision should not rest entirely on his shoulders.

Throughout the past week, tension within the régime has mounted as it became clear that Franco was not willingly going to hand over power.

The situation was complicated by the fact that he was in the Pardo Palace and all statements and visitors were carefully vetted by members of his family.

Close friends and relatives had argued that the old man should be left in peace, and with the Prince standing out against a temporary transfer of power the crisis of authority had steadily deepened.

Now, however, the family has been bypassed, presumably because Juan Carlos was convinced it was his duty to take power.

Some members of the ultra-Right will be extremely displeased, but the mass of the country is likely to support the decision.

Illegal Left-wing parties, which demand the introduction of democracy in Spain, reject in principle the Prince's takeover. They say that even if he promises to introduce a democratic system, they will not believe him.

Decision

Juan Carlos, 37, faces an immensely challenging task in taking over from a man who for 36 years permitted no political opposition.

While the country has made great economic strides, it remains politically an unknown quantity.

From the age of 10, the Prince has been educated in Spain, falling increasingly under Franco's influence until in 1969 he was named as successor to the Head of State.

Since then, his duties have been largely ceremonial, but he has come to learn something of the political currents running under the surface.

The Prince's friends say he wants to introduce democracy by gradual stages, while his numerous opponents argue that he has neither the experience, skill or conviction for such a role.

His father, Don Juan, has never renounced his claim to the throne and says he will not do so until he sees positive democratic innovations.

EEC planning gesture of support for Juan Carlos, Page 6

U.K. seeks talks with Chrysler chief

By TERRY DODSWORTH, Motor Industry Correspondent

THE POSSIBILITY of a row brewing up between the British Government and Chrysler Corporation developed last night when the American company dismissed as "pure speculation" reports that Mr. John Riccardo, Chrysler's chairman, would be visiting London to meet the Prime Minister early next week.

Both the Department of Industry, which has written a "firm message" to Mr. Riccardo demanding "urgent clarification" of his remarks that Chrysler might consider pulling out of Britain, and Downing Street, were convinced that Mr. Riccardo would, in fact, be visiting Britain.

The Government clearly feels that the crisis which has overtaken Chrysler U.K.—whose problems had previously been discussed by Mr. Wilson and the U.S. companys top management—demands an early meeting.

In the meantime, Mr. Wilson assured the House of Commons yesterday, there would be "no irrevocable decision" on the future of the company.

He added that it was "too early to say what this decision may be," but went on: "This is an extremely difficult problem and I would not want to underrate its gravity this afternoon."

Mr. Riccardo's comments, made at a Press conference in Detroit and evidently taking the Government by surprise, indicated that the corporation—which itself lost £112m. in the first nine months of this year and will omit a fourth quarter dividend—would look at methods of tackling loss-making subsidiaries "up to and including a disposal."

This runs counter to assurances given to the British Government over the last few years, and repeated earlier this year in a latter to Mr. Anthony Wedgwood Benn, the then Industry Secretary, which talked of "making every possible management effort" to remain a "strong competitor in the British market."

TUC leaders last night gathered that a prime objective of the Government is to ensure that the U.K. does not lose Chrysler's key export order of 120,000 "knocked down" Hunter and several thousand Avenger cars now being gradually delivered to Iran.

This order has helped Chrysler through the recent months and the Prime Minister indicated, when he met TUC leaders last night for general talks on the international economic situation, that his aim was to ensure the order stayed in Britain should Chrysler shut down. Chrysler, in relation to its size, has the best car exporting record among British car manufacturers.

He was not specific about a meeting with Mr. Riccardo but did say, during a lengthy discussion about the company, that the Government did not intend to take any decisions on the issue till it had had talks with the company which it hoped would take place during the next few days.

It became clear yesterday that any talks with Mr. Riccardo will go on against a background of mounting pressure for Government assistance for Chrysler U.K. which lost £16m. in the first half of this year.

Coventry and Linwood MPs, representing Chrysler workers' constituencies, came away from seeing Mr. Varley yesterday stressing that Government money would be needed in order to keep Chrysler in Britain.

"We want Chrysler to stay in this country," said Mr. Leslie Huckfield, Labour MP for Nuneaton, who led the delegation. But he stressed that if Government money were given to Chrysler they would demand much more watertight assurances on future policy—including its intention of introducing new models, the "key to the future as we see it"—than had previously been given by the corporation.

While Mr. Varley apparently listened sympathetically to the MPs' approach, he evidently left them with no grounds for optimism.

The Cabinet, Mr. Varley is reported to have said, was receiving a great deal of advice on the motor industry — including the recent report of the Trade and Industry Sub-Committee, and the Think Tank report—which had stressed the problem of over-capacity in the industry, and he "had to balance this against jobs."

The MPs were left with the impression that a row was brewing up in the Government on Left/Right lines on whether to protect the Chrysler jobs or refuse any further assistance—Government help was first given to the company to enable Chrysler to take over Rootes in 1967.

The Think Tank report itself, prepared by the American consultants McKinsey over the last few months, is believed to be causing considerable argument in Whitehall because of its emphasis on productivity as a cause of the industry's ills rather than investment.

£ in New York

—	Oct. 30	Previous
Spot	$2.0735-0745	$2.0745-0755
1 month	0.96-0.91 dis	0.85-0.80 dis
3 months	2.59-2.54 dis	2.67-2.57 dis
12 months	8.27-8.17 dis	8.40-8.30 dis

Government policy on aid to industry still selective

BY ADRIAN HAMILTON

DESPITE EFFORTS by the Government to make its new "industrial strategy" document as uncontroversial as possible, next week's Chequers meeting of Government, industry and unions on industrial policy looks like starting with considerable differences of emphasis between the various parties concerned.

A final draft of the Government's document—a joint presentation by the Department of Industry and the Treasury—has now been circulated to members of the NEDC.

While its main emphasis is on the need to produce a broad framework to promote Britain's declining manufacturing industry, it is still believed to stress the need for a selective approach, "picking the winners" among the growth sectors of industry.

The need for a selective *approach was emphasised by Mr.* Eric Varley, Industry Secretary, yesterday when he declared that Britain's resources should be used to help only companies with the best prospects.

In a speech which has special relevance in the light of the Chrysler situation, he emphasised that "this must be the first principle of Government aid to the private sector as it must also of the administration of publicly-owned industries."

The Government's selective approach appears to be broadly supported by the unions, who see it as a means of sustaining *industrial employment in certain* sectors both through direct assistance and, in a way not supported by the Treasury, through actions to limit imports of certain goods.

It has aroused considerable doubts among employers, however, and in a separate discussion document released yesterday, the National Economic Development Office itself has presented an analysis of British industrial problems which seems to contradict, by implication at least, the selective approach.

Arguing that the overall pattern of British industrial investment and employment is comparable to that of our competitors, NEDO suggests that the real problem is not so much one of supporting particular growth sectors as of improving overall productivity throughout the major sectors of British industry.

Contrary to a number of recent Ministerial and union statements urging the necessity *of greater investment as the real* solution to Britain's industrial problems, it states that the "U.K. problem of slow growth is not soluble merely by increasing the share for investment in GDP."

Nor, it asserts, do the figures suggest that there are any particular sectors of British industry which can be easily picked out as "winners" with real growth prospects.

Rather, the problem lies in the wide and increasing spread of labour productivity between the "top" and the "tail" of virtually all industries.

Comparing U.K. performance with that of Germany, NEDO finds that the most striking

Continued on Back Page

Switch spending to industrial investment, says Catherwood, Page 9
Editorial Comment Page 18

Industry Bill law soon

THE 10-month Parliamentary battle over the controversial Industry Bill, which establishes the National Enterprise Board and will introduce planning agreements, came to an end last night when the Lords finally agreed to drop their amendments to the legislation. The Bill will become law when the present "spill over" session of Parliament ends in about two weeks' time. Page 16

R-R engine may earn £30m.

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE GOVERNMENT is expected to make a profit of about £30m. on the production of the first 555 Rolls-Royce RB-211 engines, instead of a loss of up to £45m. predicted earlier.

The profit effectively will be about £50m. on a total production cost of about £270m., but account has to be taken of a contribution of £20m. which the Government is making towards the cost of warranty liabilities on the first 555 engines.

This production profit does not take into account the Government's initial investment of up to £135m. on supporting the development and *launching of* the RB-211. This will be recouped by a levy of 7 per cent. of the selling price, payable by Rolls-Royce (1971) on every engine sold from No. 556 onwards.

On that basis, Rolls-Royce (1971) will have to sell more than *2,000 engines, beyond the* first 555, before the Government will completely clear all its investments in the RB-211.

Under the agreement with the Government, reached in 1971 after the bankruptcy of the old company, the new Rolls-Royce (1971) was given State aid to cover design, development and tooling of the RB-211, together with production finance for the first 555 engines.

In return, the company pays directly to the Government all the proceeds of the sale of those 555 engines.

In practice, costs have been *less than predicted.* By this October, all the investment in production had been repaid from the sale of just over 500 engines, and it is expected that when the 555th engine is delivered (in early 1977) the Government will have received a profit of £50m., *in place of the originally* expected loss of £45m.

In addition to the continuing market for the engine in both the Lockheed TriStar and the Boeing 747 Jumbo jet, talks are in progress on the possible installation of the RB-211 in the McDonnell Douglas DC-10 airliner, while Rolls-Royce is also anxious to see it in the B-10 derivative of the European A-300 Airbus.

Talks have also been held with the Soviet Union on the possible use of RB-211s in "wide-bodied" airliners such as the new Ilyushin IL-86 airbus.

The company stresses that the life of any aero-engine is anything up to 30 years or more, and its estimates suggest that it will be well into the 21st century before the last RB-211 engine and spares are sold.

PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

...rnational	111	+ 4
... Ireland	340	+ 10
... Wiggins	53½	+ 4½
...s	150	+ 4
...	61	+ 3
...rn Leslie	45	+ 6
... Crpn.	283	+ 8
... (R.)	110	+ 4
... Secs.	70	+ 5
... the Newsagent	142	+ 4
... Lamp	750	+ 45
...of Wales Htls.	62	+ 7
...yce	61	+ 3
...arby	94	+ 4
...Walker	27	+ 4
... Contracting	268	+ 4
...	40	+ 4
...oup	67xr	+ 4
...Murchison	710	+ 20
Coronation Syndicate	195	+ 10
Doornfontein	300	+ 30
Harmony	585	+ 25
Metramar	22	+ 5
Ocean Resources	31	+ 3
Palabora	925	+ 50
Pancontinental	650	+ 15
Pot. Plat.	182	+ 9
Union Plat.	162	+ 9
Western Deep	£18¾	+ 1¼

FALLS

Courtney Pope	40	− 4
Estates House Inv.	247	− 5
Forminster	70	− 4
Gripperrods	62	− 4
Hoover "A"	295	− 10
Inchcape	315	− 11
Lubok 12pc Conv.	£77½	− 2½
Smith (W. H.) "A"	390	− 4
Telephone Rentals	88	− 4
Northgate Explor.	230	− 15
Selection Trust	485	− 10

For latest Share Index 'phone 01-246 8026

LOMBARD

If 'making money' is too easy

BY C. GORDON TETHER

IT WOULD be easy to dismiss the story of the rise and fall of the secondary banking adventurers as yet another case of those who live by the sword dying by it. The lessons it teaches are, however, of much more far-reaching significance than that.

"All the impending denunciations of financiers who make money instead of things will be economically illiterate," declared the Daily Telegraph in an attempt to defend "the system wherein Slater-type fortunes are won and lost." And by way of elaborating this theme, it argued that, if there was no asset-stripping in countries like Yugoslavia, Tanzania or "whichever tyranny our progressives currently hold up as their economic model," there were few assets worth stripping either. And, anyway, had not the Labour Party itself engaged in what was basically the same kind of activity with its Industrial reorganisation Corporation?

Less simple

Comparisons can never, of course, make a standard. And in any case the matter is much less simple that this portrayal might lead one to suppose. The secondary banking upsurge and collapse was not just an industrial reorganisation job that went wrong.

During the build-up phase, it produced massive distortions in the property market which seriously complicated the housing problem and had many other equally unwelcome side-effects. And the explosion which ensued put the country's entire banking system in such peril that an extensive rescue operation—involving, among other things, the expenditure of a lot of public money—had to be mounted.

The public interest has, in short, been very much involved. And it is, therefore, essential that the whole unsavoury story should be carefully and honestly examined.

In fairness to the fallen secondary banking chiefs who have emerged as the apparent villains of the piece, it should be said that there is a certain amount of evidence that the main banks played a much bigger part in the affair than has so far been recognised.

Because it is so dependent on the support they are providing under the "lifeboat" operation, the secondary banking community is reluctant to criticise them publicly. But many of its members maintain that the crisis that engulfed them two years ago was rendered much more acute than it need have been by the speed with which the main bankers withdrew credit lines they had previously encouraged their secondary bank customers to take. And some contend that the main banks have not hesitated to exploit the opportunity provided by the crisis to "cannibalise" the rival system which the secondary banks had, in some senses, come to represent.

These are charges that obviously warrant further examination. Yet it has to be said that if the consequences of being—as the secondary banks claim—"let down" were so devastating, this was to a significant extent because they had left themselves absurdly vulnerable to such a turn in their fortunes. And it cannot be seriously doubted that the reason for this is that it is so much easier to "make money instead of things" that many of them allowed their greed to get the better of them.

And the offence they thereby committed is not mitigated in any way by the fact that they were unfortunate enough to be operating in a financial environment wherein official policy—in the shape of the Bank of England's "competition and credit" operation—was giving its blessing to, if not actually encouraging, such excesses.

Human nature

It is the case, after all, that the great secondary banking explosion and disaster was a re-run on a much bigger scale of what happened in the hire purchase finance house field after a liberalisation of the rules and the injection of vast quantities of big bank money set a great upsurge in business under way there in the early 1960s. It was freely acknowledged at the time that the mainspring of that unfortunate chain of events was greed.

The "making of money" obviously has its part to play in the promotion of desirable economic activity. But it is equally clear that the ease with which it can be done constitutes a real danger to the community as a whole.

Human nature being what it is, a heavy responsibility clearly lies on those whose task it is to watch over the nation's financial affairs to leave as little scope as possible for wrongful "making of money." They have manifestly failed on more than one occasion during the past 15 years to measure up to this obligation.

RACING — BY DOMINIC WIGAN

Angels Pathway can improve

NEWMARKET, WHICH has put on so many fine programmes this season, has one of its rare "off days" this afternoon, with the least boring race on the card, to my mind, being the closing event, the Suffolk Nursery (3.45). Here I expect to see events dominated by three recent winners, Magnolia Lad, *Angels Pathway* and Sangrail.

The last from this trio to oblige was the locally trained Magnolia Lad, who needed only to be kept up to his work by Kipper Lynch to comfortably dispose of Proud Felix and Minstrel in the Oxshott Nursery at Sandown 10 days ago. Always travelling well within himself on the Esher course, Magnolia Lad could probably have extended the two and a half lengths winning distance had Lynch, who is again in the saddle, so wished.

Six pounds beneath Magnolia Lad, who carries a 7-lb. penalty for that Sandown victory, is the Findon-trained Angels Pathway. This Ryan Price trained half-brother to Glen Strae followed up an encouraging second placed effort at Bath in September by dead-heating with Swakara for York's Bramham Moor Stakes early this month after making every yard of the running. A strong, progressive sort, Angels Pathway is capable of further improvement.

Sangrail, from Bob Turnell's Marlborough establishment, which is best known for its high-class jumpers opened her account after two promising efforts, when out-pacing Bluehill and 12 others in a maiden event at Bath three weeks ago.

Quickening impressively a furlong from home, Sangrail forged clear of the runner-up, who went on to frank the form with a good second placed effort in a big field at Warwick. In a race which may well develop into a closely fought finish, Angels Pathway may just have the edge over Sangrail and Magnolia Lad.

NEWMARKET

1.15—Vishvamitra
1.45—Sky Miss
2.15—Royal Legacy
2.45—Tar Siempre*
3.15—Eventura**
3.45—Angels Pathway***

SANDOWN

1.00—Grand Canyon
1.30—Tinker Boy
2.00—Silver Delight
2.30—Young Robert
3.00—Stone Thrower
3.30—Wayward Scot

Several promising juveniles clash in the Red Lodge Maiden Plate (3.15), and I believe it could pay backers to row in with the once-raced *Eventura*.

This chestnut filly by Huntercombe out of the smart Irish sprinter, High Acres, showed a good deal of early speed in a division of the Snailwell Maiden Stakes at the last meeting before fading out of contention inside the final quarter mile. With that experience behind her, Eventura, a half-sister to Super Red and Running Jump, may prove up to dealing with the probable favourite Egalaloon and Touch of Class.

Bernard Van Cutsem, whose Stanley stable has been enjoying a revival of fortunes recently after a lean summer, can have few gamer two-year-olds at present than *Tar Siempre*, and I hope to see this son of Van Cutsem's Washington International winner, Karabas, gain the second success of his career in the one-and-a-quarter mile Zetland Plate (2.45).

On his last outing Tar Siempre made all the running to beat Cawston's Pride's daughter, Katie May, by a length at Wolverhampton. Katie May paid a useful compliment to the form with a clear cut success at Chepstow on Tuesday.

SALEROOM — BY ANTONY THORNCROFT

Port is still a bargain

ONE RESULT of the depreciation of the pound against the franc is that French wine can often be acquired in London at cheaper prices than are current in France. Sotheby's completed a two-day wine sale at the Dorchester Hotel yesterday with a total of £199.386 for claret, burgundy and port, and with some keen French buying.

Claret prices seemed to be higher than last season, but burgundy and port are still cheap. Among the clarets a case of 1970 Cheval Blanc could be bought for £60, and 1970 Margaux for £54, but this is exclusive of all duties and transportation costs. Burgundy was much cheaper, Savigny lès Beaune 1972 making £14 a case. Port was even more of a bargain, Croft 1963 being available at £25 a case.

Among other Sotheby's sales on a generally dull day was an interesting dispersal of books from the private presses of the early 20th century. An Ashendene Press copy of Don Quixote, one of 20 copies on vellum produced in 1927-28, went for £2,200, slightly below forecast. The Tracedie of Julius Ceasar, one of 12 on vellum produced in 1913 by the Doves Press, exceeded expectations at £800. An interesting price was the £180 paid for 13 copies of Flight and The Aeroplane, published between 1912-1918.

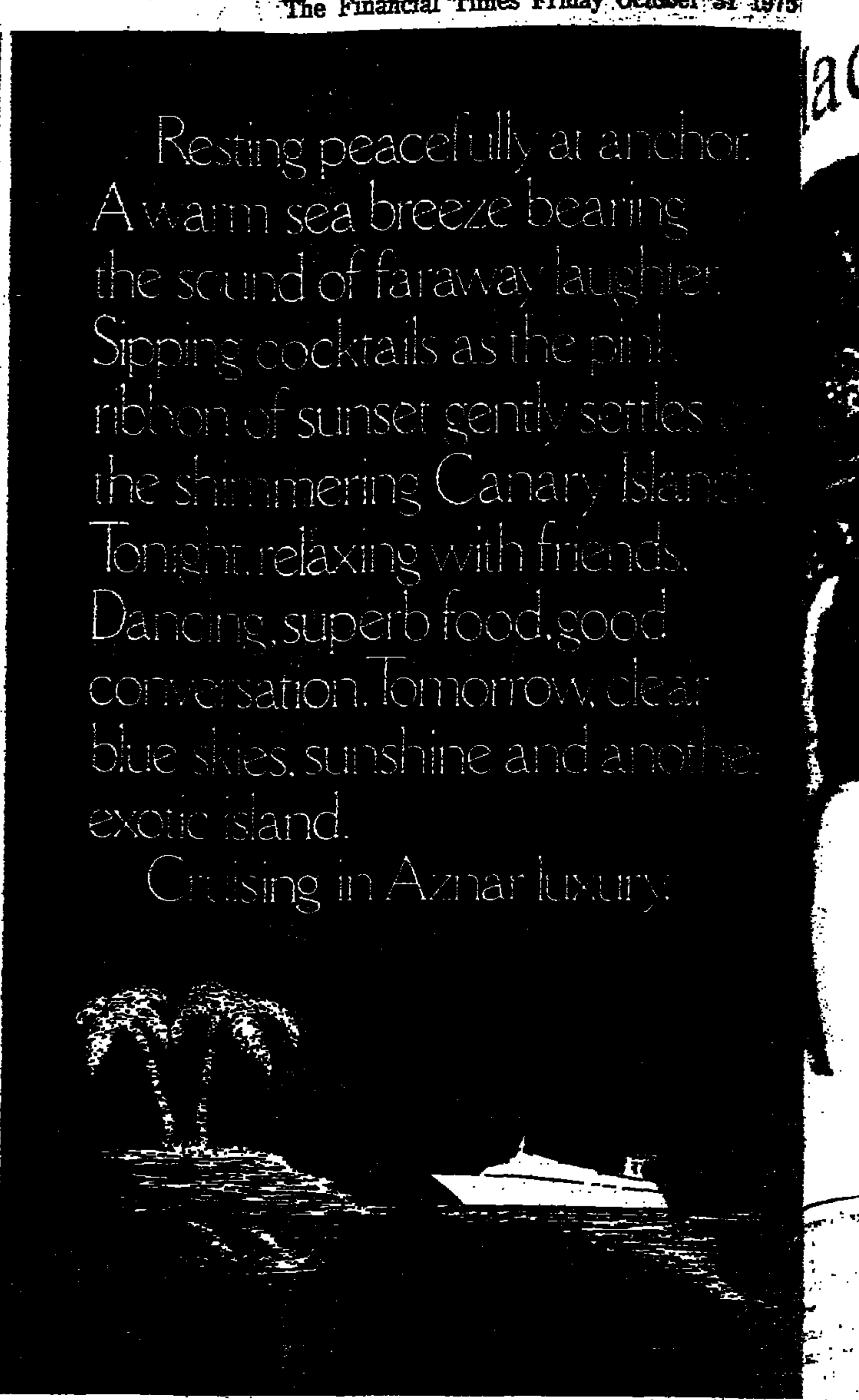
It should never be forgotten that 80 per cent. of the lots at Christie's and Sotheby's sell for less than £200, and to stress the fact there were two very routine sales of watercolours and silver at Sotheby's. The top price was the £820 paid by Bloomstein for two George III three light candelabra.

The underlying strength of the fine arts market was revealed by the prices at the Christie's sale of English furniture. The items were not exceptional, but some of the prices were. For example a Regency ormolu-mounted rosewood library table sold to A. F. Gordon for £3,150, as against an estimate of £800-£1,500.

The pattern was repeated throughout a sale which totalled £67,778. A pair of mid-Georgian giltwood mirrors went to Fernandez and Marche for £2.940 (estimate £1,000-£1,500), while a George III mahogany breakfront secretaire bookcase was bought by Bedford for £2,415 (estimate £1,400-£1,800). Among the carpets an antique Beshir sold for £2,310, as against a £800-£1,000 forecast.

An equally reassuring pattern was obvious at Christie's South Kensington where dolls and toys brought in £12,823. A German doll made the best price of £700, but a Parisienne doll, with broken hands and clothes that were not original, did comparatively better, making £600 because it had a strange face and was made by Huret in the late 19th century. A tinplate clock-work taxi of 1903 exceeded expectations at £260, and an unusual item, a stuffed freak greyhound 5½ inches high, once the lap dog of the Duchess of St. Albans and shown at the 1851 Exhibition, sold for £30.

Bonhams held what was for it an important sale of Old Masters, totalling £55,045. Some prize lots, in particular, a work by Guardi, failed to sell, but "The Riding School" painted in 1669 by Job Adriaensz Berchbeyde was bought by Morgon for £4,000.



TV/Radio

† Indicates programme in black and white.

BBC 1

9.30 a.m. For Schools, Colleges. 10.45 You and Me. 11.00 For Schools, Colleges. 12.25 p.m. Mynd a'r Gan. 12.55 News. 1.00 Pebble Mill. 1.45 Chigley. 2.02 For Schools, Colleges. 3.58 Regional News (except London). 4.00 Play School. 4.25 It's the Wolf, and Deputy Dawg. 4.35 Jackanory. †4.50 Felix the Cat. 5.00 Blue Peter Special Assignment. 5.40 The Magic Roundabout.
5.45 National News.
6.00 Nationwide.
7.05 Tom and Jerry.
7.10 The Invisible Man.
8.00 Sykes, starring Eric Sykes, Hattie Jacques, Deryck Guyler.
8.30 Porridge.
9.00 News.
9.25 Quiller.
10.15 To-night's National Health Week.
10.50 Film '75.
11.20 Regional News.
11.22 Friday Film: "The Spiral Bureau."
12.32 a.m. Weather.

All Regions as BBC 1 except at the following times:—

Wales—1.45-2.02 p.m. Llon a Llwyd. 6.00-7.05 Wales To-day (6.50 Sportswide.). 7.10-7.30 Heddiw. 7.30-8.00 Mynd a'r Gan. 8.00-8.30 Some Mothers Do 'Ave 'Em. 10.50-11.20 The Lost Wilderness, part 7: The Last of Wild Wales. 11.20-11.22 Weather, News.

Scotland—10.23-10.43 a.m. and 11.00-11.20 For Schools in Scotland. 6.00-7.05 Reporting Scotland (6.50 Sportswide). 11.20-11.22 Scottish News Summary.

Northern Ireland—3.58-4.00 p.m. Northern Ireland News. 6.00-7.05 Scene Around Six. 10.50-11.20 A New Jerusalem?—The New University of Ulster. 11.20-11.22 Northern Ireland News.

England—6.00-7.05 p.m. Look North (from Leeds, Manchester, Newcastle); Midlands To-day (from Birmingham); Look East (from Norwich); Points West (from Bristol); South To-day (from Southampton); Spotlight South-West (from Plymouth). 10.50-11.20 North (from Leeds) The Way It Is With Me; North-West (from Manchester) Country Concerns; North-East (from Newcastle) The Mike Neville Show; Midlands (from Birmingham) Press and Pressure: The Provincial Press; West (from Bristol) The Thornbury Experiment—Badgers as carriers of TB; South-West (from Plymouth) Peninsula; South (from Southampton) Five Thousand Miles South; East (from Norwich) On Camera.

BBC 2

11.00 Play School.
7.05 p.m. Mr. Smith's Gardening Programme, part 4: Vegetables.
7.30 Newsday.
7.50 Pot Black: BBC 2 Snooker Championship.
8.15 The Money Programme.
9.00 Poets and Pints (new series): The Welsh look wryly at themselves and others.
9.25 Spirit of the Age (new series): Eight films on eight centuries of British Architecture—1, The Medieval World, Alec Clifton Taylor.
10.15 The Wild West Show.
11.00 Newsnight.
11.15 Renée Asherson reads "When Sir Beelzebub" by Edith Sitwell.

LONDON

9.30 a.m. Schools. 12.00 A Handful of Songs. 12.10 p.m. Pipkins. 12.30 Look Who's Talking. 1.00 First Report: News, FT index. 1.20 Lunch-time To-day. 1.30 Crown Court. 2.00 Good Afternoon Money-Go-Round. 2.30 Mid-week Racing from Newmarket: Covering the 2.45, 3.15, 3.45. 3.55 General Hospital. 4.20 Pop Quest. 4.50 Magpie. 5.20 The Flintstones.
5.50 News from ITN.
6.00 To-day.
6.35 Crossroads.
7.00 Who Do You Do?
7.30 Larry Grayson.
8.00 Hawaii Five-O.
9.00 Beryl's Lot.
10.00 News.
10.30 Police Five.
10.40 Russell Harty.
11.30 Police Woman.
12.20 a.m. Visions of the Spirit.

All ITV Regions as London except at the following times:—

ANGLIA

1.25 p.m. Anglia News. 5.20 University Challenge. 6.00 About Anglia. 7.00 Hogan's Heroes. 8.00 The Collaborators. 10.30 Probe. 11.00 Friday Late Film: "The Screaming Woman." 12.25 a.m. Christians in Action.

ATV MIDLANDS

1.20 p.m. ATV Newsdesk. 5.20 Supersonic. 6.00 ATV Today. 7.00 A Joke's A Joke. 8.00 The Streets of San Francisco. 10.30 Extra Time. 11.00 Feature Film: "Dangerous Women."

BORDER

12.30 p.m. Police Surgeon. 1.20 Border News. 5.20 University Challenge. 6.00 Border News and Lookaround. 7.00 Mr. and Mrs. 10.30 Not for the Nervous. 12.10 a.m. Border News Summary.

CHANNEL

1.20 p.m. Channel Lunchtime News, What's on Where. 5.20 The Protectors. 6.00 Report at Six. 7.00 Treasure Hunt. 8.00 Barnaby Jones. 10.30 The Master Chefs. 10.50 Late Night Movie: "Stranger in the House." 12.35 a.m. News and Weather in French.

GRAMPIAN

12.15 p.m. Pipkins. 1.20 Grampian News Headlines. 5.20 University Challenge. 6.00 Grampian Today. 7.00 A Joke's a Joke. 8.00 Barnaby Jones. 10.30 Points North. 11.30 Anna and the King, followed by Road Report. 12.00 Evening Prayers.

GRANADA

1.20 p.m. This is Your Right. 2.25 Mid-week Racing—Newmarket: The 2.45, 3.15, and 3.45. 5.15 Chuckleheads. 5.20 Crossroads. 6.00 Granada Reports. 6.35 Space 1999. 8.00 The Streets of San Francisco. 10.30 Kick-off. 11.05 Late Film: Leslie Banks in "Cottage to Let." 12.40 a.m. Douglas Fairbanks Presents.

HTV

1.20 p.m. Report West Headlines. 1.25 Report Wales Headlines. 2.00 Women Only. 5.20 Orbit 5. 5.25 Crossroads. 6.01 Report West. 6.18 Report Wales. 6.35 Space 1999. 10.30 Free Time. 11.00 The Collaborators.

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 p.m. Penawdau Newyddion y Dydd. 4.20-4.50 Sesiwn Cantamil. 6.01-6.18 Y Dydd. 10.30-11.00 Outlook.

HTV West—As HTV General Service except: 1.20-1.30 p.m. Report West Headlines. 6.18-6.35 Report West.

SCOTTISH

1.25 p.m. Road and Weather Report. 2.00 Housecall. 5.20 Babar. 5.25 Crossroads. 6.00 Scotland Today. 6.30 Husband of the Year. 7.00 Ways and Means. 8.00 The Streets of San Francisco. 10.30 The Odd Couple. 11.00 Late Call. 11.05 Friday Thriller: "The Eyes of Charles Sand."

SOUTHERN

1.20 p.m. Southern News. 2.00 Women Only. 5.20 Betty Boop. 5.25 Crossroads. 6.00 Day by Day including Week-end. 6.00 Scene South-East including Week-end (Channels 10, 43, 64 and 66 only). 6.35 Out of Town. 7.05 And Mother Makes Five. 10.30 Southern Report. 11.00 The Streets of San Francisco. 11.55 Southern News Extra. 12.05 a.m. Doris Day Show. 12.30 Weather followed by Guideline, Faith Behind the Wire.

TYNE TEES

9.25 a.m. Starting Point. 1.20 p.m. Lunchtime News and Lookaround. 5.20 University Challenge. 6.00 North-East News. 6.05 Division. 7.00 Not On Your Nellie. 10.30 Sportstime. 11.00 Friday Night Film: "Doctor Blood's Coffin." 12.40 a.m. Open Bible—Genesis: Joseph in Egypt.

ULSTER

1.20 p.m. Ulster News Headlines. 4.18 Ulster News Headlines. 5.20 University Challenge. 6.00 UTV Reports. 6.25 Police Six. 7.00 Chopper One. 7.30 Wild Wild West. 8.30 Sportscast. 10.30 The White Line. 11.00 Police Story.

WESTWARD

12.25 p.m. Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 5.20 The Protectors. 6.00 Westward Diary and Sports Desk. 7.00 Treasure Hunt. 8.00 Barnaby Jones. 10.32 Westward Late News. 10.35 Late with Danton. 10.50 Late Night Movie: Stranger in the House. 12.35 Faith for Life.

YORKSHIRE

1.20 p.m. Calendar News. 5.20 University Challenge. 6.00 Calendar. 7.00 Not on your Nellie. 10.30 Calendar Sport. 10.45 The Avengers. 11.40 Night Gallery.

RADIO 1 — 247m

(S) Stereophonic broadcast.

6.00 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Tony Blackburn. 12.00 p.m. Johnnie Walker. 12.30 Newsbeat. 2.02 David Hamilton (S) (also VHF). 4.30 Rosko's Round Table. 5.45 Newsbeat. 6.02 As Radio 2. 11.00 John Peel (S) (also VHF). 12.00-12.05 As Radio 2.

RADIO 2 — 1,500m and VHF

6.00 News Summary. 6.02 Simon Bates (S). 6.15 Contact. 7.02 Terry Wogan (S) including 8.27 Racing Bulletin 8.45 Contact. 9.02-11.30 Pete Murray's Open House (S). 10.30 Waggoners' Walk. 11.30 Jimmy Young (S). 1.55 p.m. Good Listening (VHF). 2.02 David Hamilton (S) as Radio 1. 2.45 and 3.45 Sports Desk. 4.30 Waggoners' Walk. 4.45 Sports Desk. 4.47 Sam Costa (S). 5.45 Sports Desk. 6.45 Sports Desk. 7.02 A Question of Fun. 7.30 John Fox (S). 8.30 As You Were (S). 9.02 Friday Night is Music Night (S). 10.02 Barn Dance (S). 11.02 Sports Desk (VHF joins Radio 1). 11.05 Len Jackson. (VHF joins Radio 1). 12.00-12.05 Midnight Newsroom.

RADIO 3 — 464m, Stereo & VHF

‡ Medium wave only

7.00 a.m. News. 7.05 Overture. Concert: Lalo, Liszt, Bruch: records (S). 8.00 News. 8.05 Morning Concert: Offenbach, Schmitt: records (S). 9.00 News. 9.05 This Week's Composers: Taneyev and Borodin records (S). 9.40 Northern Concert Orchestra. Concert: Souppé, Phillip Lord, Gretry, Tomlinson (S). 10.25 Organ Music. Talk about Jean Guillou's transcription of Liszt and Guillon, with illustration (S). 11.00 England's Pleasant Land. Second of six concerts of music by Vaughan Williams, his friends and contemporaries: Frank Bridge, Elgar (S). 12.00 p.m. Concert from Leeds, part 1: Blacher, Rakhmaninov (S). 1.00 News. 1.05 Playbill (S). 1.20 Concert from Leeds part 2: Sibelius (S). 2.10 Die Schöne Müllerin. Cycle of poems by Wilhelm Müller, music by Schubert, part 1. 2.50 In Short. Talk by John Culshaw. 3.00 Die Schöne Müllerin, part 2. 3.40 Paul Tortelier. Concert, part 1: Handel, Couperin, Telemann (S). 4.20 Interval Reading. 4.30 Paul Tortelier concert, part 2: J. S. Bach, C. P. E. Bach, Handel. 5.25 Pied Piper. Schubert (S). 5.45 Homeward Bound (S). 6.05 News. 6.10 Homeward Bound (continued). 6.30 Lifelines: Leisure and Recreation. 7.30 Hiawatha, by Coleridge-Taylor, music, part 1 (S). 8.40 The Reith Diaries. Two questions considered by Oliver Whitley, of the BBC Board of Management 1964-71. 9.00 Hiawatha, part 2 (S). 10.00 Music Now, followed by an interlude. 10.50 Haydn. String Quartet in D. 11.25-11.30 News.

Radio 3 VHF only—6.20-6.40 a.m. Open University. 6.20 Francis Bacon.

RADIO 4 — 434m, 330m, 285m and VHF

6.20 a.m. News. 6.22 Farming To-day. 6.40 Prayer for the Day. 6.45 To-day. 6.50 VHF Regional News. 7.00 News, more of To-day. 7.27 Sportsdesk. 7.35 To-day's Papers. 7.45 Thought for the Day. 7.50 VHF Regional News. 8.00 News, more of To-day. 8.27 Sportsdesk. 8.35 To-day's Papers. 8.45 Yesterday in Parliament. 9.00 News. 9.05 Voice of the People. 10.00 News. †10.05 Checkpoint. 10.30 Daily Service. †10.45 Morning Story. †11.00 News. 11.05 The Sound of Julie. A look at the character of Julie Andrews. †11.30 Secrets of the Deep. 12.00 News. 12.02 p.m. You and Yours. 12.27 Petticoat Line. 1.00 The World At One. 1.30 The Archers. †1.45 Woman's Hour. †2.45 Listen With Mother. 3.00 News. 3.05 Afternoon Theatre: The Rebels, by Graham Easton. 4.00 News. 4.05 Any Answers? 4.35 Story Time. 5.00 PM Reports. †5.50 Financial Report. 6.00 News. 6.15 Forces' Chance. 6.45 The Archers. 7.00 News Desk. 7.30 Pick of the Week. 8.30 Any Questions? 9.15 Letter from America. 9.30 Kaleidoscope. 10.00 The World To-night. 10.45 A Book at Bedtime. 11.00 Financial World To-night. 11.15 To-day in Parliament. 11.25 Week Ending . . . 11.40 News. 12.01-12.04 a.m. Inshore Forecast.

For Schools (VHF). 9.30 a.m.-12 and 2.00-3.00 p.m.

BBC Radio London — 206m and 94.9 VHF

6.00 a.m. As Radio 2. 6.30 Rush Hour. 9.00 Downtown. 11.03 In Town. 12.03 Call in. 12.45 London News Desk. 2.03 206 Showcase. 3.45 The London Gardener. 4.03 Lobby. 4.32 Home Run. 5.00 and 6.00 London News Desk. 6.30 Sportsfield. 7.00 In Town. 8.00 Good Fishing. 8.30 Platform. Comprehensive or grammar school? Debate. 10.03 Single File. 12.00-12.05 As Radio 2.

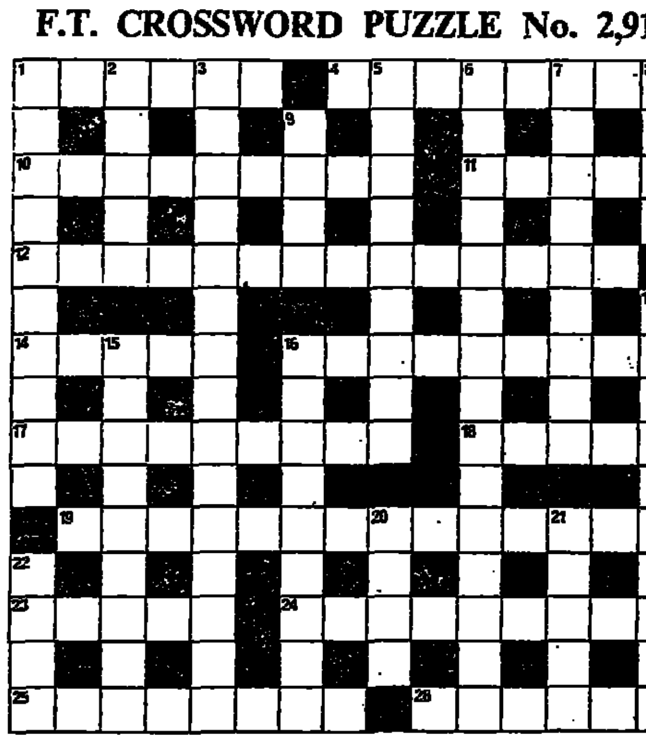
London Broadcasting — 261m and 97.3 VHF

5.00 a.m. Morning Music. 6.00 "A.M.": breakfast show. 10.00 George Gale: talking to London. 12.00 Newswatch: first edition. 5.00 Newsbreak. 7.30 Music in Stereo. 9.00 Adrian Love. 1.00-4.30 a.m. Nightwatch: news every half-hour.

Capital Radio — 194m and 95.8 VHF

6.30 a.m. The Breakfast Show. 9.00 Michael Aspel presents music, guests, competitions and "Swapshop." 12.00 Cash on Delivery. 3.00 p.m. Roger Scott. 7.00 London To-day. 7.30 Open Line. 9.00 Rock Show. 11.00 Tony Myatt and his late show. 2.00 a.m. Night Flight.

F.T. CROSSWORD PUZZLE No. 2,919



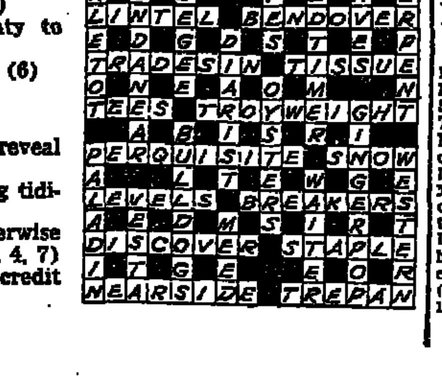
ACROSS

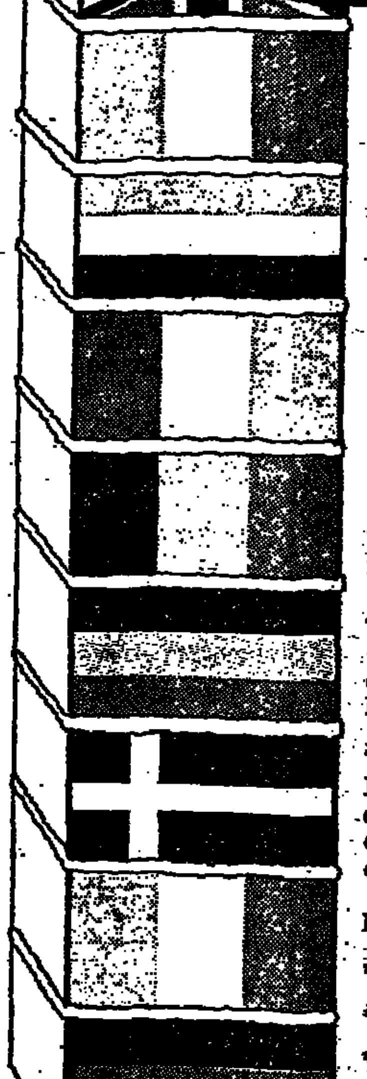
1 Boisterous Frenchman in a legend (6)
4 Guide with time for a cheap form of transport (8)
10 Copious and yet superfluous (9)
11 Design to take eastern aircraft (5)
12 Mental strain over unions sent astray (7, 7)
14 Love to be a symbol of peace (5)
16 In favour of proposal to give advancement (9)
17 Roughly calculated the probable cost to an old penny (9)
18 Come on the stage and record (5)
19 Travelling to the races and being ruined (5, 2, 3, 4)
23 Corrupt practice for sailor to employ (5)
24 Lacking an appointment and no longer valid (3, 2, 4)
25 Delighting with entreaty to chant (8)
26 Powerful drug fixed ten (6)

DOWN

1 Bound to begin and reveal what's inside (6, 4)
2 Arrange a system giving tidiness (5)
3 Be well-cultured, otherwise send man no miners (4, 4, 7)
5 Profitably and to one's credit (2, 3, 4)
6 Be liable to sole expense of arrangement (6, 7, 2)
7 A very small particle one way could be an expert with figures (9)
8 Old woman has right always . . . . (4)
9 . . . . and young woman left stupid fellow (4)
13 Look into and inspect awful rot inside (10)
15 Bring into practice and make acquainted (9)
16 Suppress something and record it (3, 2, 4)
20 Adds up drinks (4)
21 Hold forth and love to value (5)
22 Dwell tediously on musical instrument (4)

SOLUTION TO PUZZLE No. 2,918





Made in USA

by RICHARD COMBS

Michel Piccoli and friend, Valentine Tessier

alkeeper's Fear of the
lty (A) Gate
ze (X)
Jacey, Trafalgar Square
Street (U) Academy 1
nnibals (AA) Gate
County Line (X)
ABC Fulham Road,
ABC Bayswater

French New Wave is the elebrated example of the ertilisation that has d in the post-war cinema: g to the sudden cultural n by the U.S., young es greedily digested all wly available Hollywood and expanded on the learned in their own first orts.' Over the last few a new generation of film-makers has begun, more coldly cerebral, to analyse the same l heritage—the way one s modes of thought and ur, packaged for world-consumption, have im- on another. Wim s' *The Goalkeeper's Fear Penalty* is a story of on very much set in the of such an invasion—: its sense of the hero's ness from life through the of alien artefacts, the ogy, the songs, the that both fascinate and e him.

ally, the one or two film references in *The per* — Howard Hawks' *ne 7000*, for example— o mind a style of movie- which, with its terse of emotion and its relent-phasis on action, is as far d as possible from the stagnating circles ed by Wenders' hero, and throw into relief the of this modern-day

tory sets goalkeeper Bloch *journey which is clearly* for impasse: after a game na, he wanders disgrunt-about the city—his mind tly on nothing but keep-touch with the newspaper results — slipping in t of cinemas and eventu-cking up an attractive with whom he sleeps and at as casually, and point-lessly strangles. He takes a bus to the border (though the police pursuit, perhaps moving just as persistently down all the wrong roads as the hero, never presses particularly close) and seeks out an old girlfriend; the border, it turns out, is closed, and Bloch is left to rattle about in another dead end, his communication with the people about him drained of all meaning (a situation admirably and amusingly summarised by his conversation with an old woodcutter, who *insists* that the current crop of children are all inarticulate and speech-handicapped). But if not to people, Bloch can at least turn to the bright, brassy technology of juke-boxes for comfort, and a stream of Sixties pop tunes through the film is forever filling in all the emotional spaces between people that the images leave blank ("Woke up this morning, you were on my mind" croons a record player at the start of the scene where Bloch *has a mundane conversation with* the blonde cashier before absent-mindedly murdering her).

★

A stream of jokes, anecdotes and rationalising digressions by various characters ensures that the film is sharp and playful with its theme, rather than solemn and didactic. Bloch at one point tells the story of another footballer who went on tour to America, where he mysteriously vanished, to be found a year later living in a trailer in Tucson, Arizona; the cashier produces a whole string of *memories and mementoes from* men whose names seem as interchangeable as their locations on the map; and towards the end, a policeman lectures Bloch on the particular *difficulties of his job* since the cessation of the War, now that one can no longer concentrate quite so intently on one's quarry and is always in *danger of being bluffed* or caught in the wrong position (a speech which exactly parallels Bloch's closing statement on the tribulations of being goalie; the player who feels *himself* to be naggingly inessential to the game itself and is always afraid of being in the wrong place at the crucial *moment*).

Displaced energies and misplaced emotions float like spectres through *The Goalkeeper's Fear of the Penalty*, finding no place to rest that is not either transient (the apartment of the cashier, a *kind of* international groupie, is situated next to an airport) or foreign (all the Americana, *which seems* to have *moved* in like a house guest then set about the transformation of its host). In this sense, one of the eeriest effects in the film is the dirge-like brass band music that is heard behind *several scenes, like the last stale*, exhausted remnant of the culture of preceding generations. It is perhaps most to Wenders's credit that he has avoided turning his *film into another generalised* essay on the angst and alienation syndrome but situated it clearly within one individual's experience—a man perhaps near the end of his professional career and certainly at the end of his personal tether. Wenders attends with care and precision to all the minutiae of that experience, while insisting (with the strange fades-to-black that separate scenes) on the lack of any connection between them.

★

By way of contrast, the latter-day films of actor Michel Piccoli celebrate a very physical, robust, unselfconscious form of alienation. In fact, the sexual anarchy conjured up by Piccoli's presence seems inevitably to become the theme of his films, regardless of story or director. *Life Size* presents him with a worthily preposterous obsession—as a dentist who has tired of the *irritations of real-life* feminine companionship, he imports from Japan a mannequin of amazingly life-like properties, right down to the mucous membranes—and allows him to enjoy it with hardly any psychologising over the reasons why.

The film's elaboration of this motif into comedy both poignantly black and riotously mocking of sexual and social mores works best in the early stages, when Piccoli's courting of his *polystyrene lover*, and *his* attempts to have her accepted by those around him as an authentic "other woman." simply function as an outrageous trumping of sex comedy conventions. When the film threatens to become serious in its humour, as in the events leading to the hero's downfall, when he finds himself among people who do *not* understand his language but are more than willing to accept and take part in his fetishism, *it overburdens* its *slight* conceit and overemphasises the *more* derivative aspects of its theme.

★

Social comedy of a different order is supplied by *Hester Street*, an account of Eastern European Jewish immigrants struggling to survive and adapt *themselves to the New World* in Lower East Side New York towards the end of the last century. Joan Micklin Silver has convincingly caught the physical *ambience of her subject—the* light, the people, the bric-à-brac of sweat-shop factories and crowded tenements—but the substance of her tale remains a stubbornly stagey (with broad TV sit-com humour) treatment of love's labours eventually sorted out between aggressively Americanising and pacifically tradition-loving immigrants.

★

Another woman director, *Liliana Cavani (represented* here last year by *The Night Porter)*, captures no ambience at all in *The Cannibals*, a woolly updating of Sophocles' *Antigone* into a parable about *the fate of* dissent in a fascist state. Unfortunately, Ms. Cavani has translated her source into such one dimensional stereotypes that the film fairly begs to be discussion in capital letters (Universal Guilt, for instance, is represented by *the* citizens willing acquiescence in the authorities' decree that the bodies of rebels littering the street must be left where they are) and so scarcely leaves room for a glimmer of argument or even simple intelligence in her theme. Even more familiar territory is explored in *Macon County Line*, a film which *ambles along* as a relaxed whoring-and-brawling Deep South *Tom Jones*, until the time comes to deliver its message and it switches to melodramatic blood and *thunder*.

say Rooms, Balliol

Asmodaeus

by GARRY O'CONNOR

DAEUS, who was the Per- Demon of "frustration, ity, rage, and jealousy," the title leads us to be- rips Stephen, the central er in Philip Ruttley's Three companions are in- with Stephen in a *e for domination of their* so what we see is a claus- ic foursome, two young vo girls, who explore their s in a series of tantalising These more than *once* in mind of the contorted al exercises played out tions of Iris Murdoch, in Miss Murdoch the of mind described are and more acute.

e four qualities which the lists it is really only tion which makes the g. Stephen is cooped up s three friends, who some- eave him to make coffee scuits but *for* the most ere is talk of journeys and , and also much talk of ously profound personal ions." But the dissections go very deep remaining most part on the level of and wordy statements. ls the end it is true there more tangible attempt at shing some strength n Stephen and his girl Catherine, with whom he arrelled at the beginning. d have liked to feel there re of a concrete situation. ed right from the start, biguity, though an interest- te to explore, can cut two specially if as in Mr. Ruttley's case, it is a highly voluble ambiguity. One remains in limbo for too long. The kind of definite lines I liked are, for example, when Vincent says "You always wet the end of your cigarettes" to which Laura replies "We are getting personal, aren't we?" There could have been more of these.

Brian Groom's central performance is impressive, not only because *it is a large role in* which he betrays no hesitancy or lack of resource, but because he has quite a gripping quality. Kathy Oakes, Gil Evans and Robin Hodgkinson all put a great deal of attention into what they are saying, and the director is Philip Ruttley.

Half Moon

George Davis Is Innocent OK

by MICHAEL COVENEY

The title does not belong to the Half Moon alone, but to countless walls and other surfaces east from Whitechapel to Manor Park, Ilford and Romford. Leeds got the message, too, in the middle of a Test match last summer. "What's a game of cricket to 20 years of a man's life?" somebody asks in this *superb, passionate* and totally enthralling documentation of the Davis case. Pam Brighton's production of Shane Connaughton's script is the first show in my experience as a reviewer that unequivocally denies me recourse to aesthetic or evaluative judgment. It is as fresh as paint, as hot as the first newspaper off *the presses*.

Because if Davis *is* innocent, then the legal system which has condemned him on the shaky say-so of identification evidence *should* and must be challenged. The play does not pretend to be objective. It shows police officers manufacturing East End dialogue to pin on Davis in the court room; *on the police it casts* explicity slanderous aspersions. It reports the judge's bias in *favour* of police verbal evidence at the expense of civilians. It ridicules the reluctance of prosecuting counsel speedily to consult forensic evidence. It exposes us to *Davis's heart-rending* letters to his wife from prisons in the Isle of Wight and Brixton: "I wouldn't wish a sentence of 20 years on a guilty man."

And we see, too, the burgeoning efforts of his family and friends in achieving publicity for their cause. Two of those friends, Peter Chappell and Colin Dean, are still in prison, denied bail, while awaiting trial for *their destruction of the Leeds* Test Match pitch. I cannot write an analytical review. On Tuesday night I sat in a theatre with his wife and relations and felt alarmed and despondent.

The Entertainment Guide is on Page 34

British Museum to show Thracian art treasures next year

The exhibition *Thracian Treasures from Bulgaria* will *open* in the special exhibitions gallery at the British Museum on January 8 until March 28, 1976. The exhibition will be lent by the People's Republic of Bulgaria in accordance with a cultural agreement signed in 1974. Additional material will be lent by the Ashmolean Museum, Oxford. The exhibition will consist of exhibits from 35 Bulgarian museums, most of them never before seen in this country.

The collection comprises mainly gold and silver objects ranging from the Bronze Age (about 3000 BC) to the early Roman Empire (up to AD 300).

About 800 exhibits will be displayed, including some recently discovered material. The main sites represented are the Varna necropolis (c. 3500 BC Copper Age); Vulchitrun (c. 1500 BC, Bronze Age); Vratsa (400-350 BC); Rousse (4th century BC); Panagurishte (c. 300 BC); Yakimovo (1st century BC).

Paris exhibitions

The Ninth Biennial

by MICHAEL PEPPIATT

Unfortunately, I can find next to nothing to say in favour of the current Paris Biennial (at both the Musées d'art moderne until November 2). It ranks with the 1972 Kassel Documenta as the most dispiriting large-scale exhibition I have seen in *years*. The section devoted to paintings by Chinese peasants apart, its only virtue is perhaps to make the previous, muddled, but not *uninteresting Biennial (of 1973)* seem like a profusion of riches in comparison.

This year you walk through space after space at the two modern art museums conscious above all that the work of a hundred young (that is under 35) artists from many parts of the world is passing you by without so much as arousing your curiosity, let alone your interest. It is not impossible to suggest why: one participant has *scribbled a few lines or made a* little nick in a canvas here, another has left a litter of imponderables there, a third has placed three glasses of water with an explanatory (?) note below, a fourth has made a plaster cast of his penis, a fifth has a row of record-players droning out various sounds, and so on. You might feel yourself lucky to have been spared the more alarming manifestations of body art *(Kassel contained some extreme* examples of self-mutilation); even so, the childishness, the uninventive messes and the dogmatic pretentiousness make for a most oppressive atmosphere.

Many of the exhibits seem to have been based on a common fallacy: you entirely reject the rules *of* the game, make some kind of spontaneous gesture, and it's significant because it's your very own. I think this has more to do with kindergarten activities *than with art, where spontaneity* is significant only within a context of self-discipline and technical accomplishment.

In defence of this boredom, some people say that it is the inevitable reflection of contemporary confusion. Less grandly *and less facilely, perhaps, one* might also suggest that it mirrors a lack of real talent for what might still be called the visual arts.

★

Opposite the Musées d'art moderne, in the Musée Galliera, the Biennial has put on a special show of the paintings of a group of Chinese peasants from the Huxian District (in Shensi province). The artists in question are "members of the popular communes including women, youths and old people, as well as secretaries of Party cells, heads of production groups, *officers in the regiments* of the popular militia, accountants . . ." — and they make a singularly refreshing impact. No signs of contemporary confusion in these scenes of harvest, technological advance and ideological discussion, of course; backs are bent and *rosy faces* raised in common, joyous assent with the aims of the Revolution. "Filled with dynamism and a revolutionary ardour," the catalogue note says, "the peasants of Huxian firmly grasped their paintbrushes in order to take up ideological and cultural positions throughout the country and thus become masters of the new Socialist culture."

Masters they certainly are of the straightforward message as well as of a considerable pictorial charm. These paintings altogether avoid the exaggerated muscularity that renders so much Socialist Realism a little difficult *to swallow*.

Old Vic

The Playboy of the Western World

by B. A. YOUNG

I don't believe the Abbey Theatre at its best could have excelled this production of Synge's masterpiece which Bill Bryden has directed for the National Theatre. I am, I admit, one of those who, as Shaw says, "cannot tell an Irish brogue from a Dublin accent you could cut with a knife," and indeed I have never been further into Ireland than a Dublin bus can take you in an hour. But this presentation seems to me to glow with authenticity. If this is not how life was lived in County Mayo in 1906, it as at least a dramatic equivalent in which every detail is consistent, and a life of its own stirs in it.

Geoffrey Scott has designed an interior for the little pub which gives at once the feeling that it belongs to a real community. In it the people come and go with their exquisitely poetic talk, *and* when they leave the stage you can follow them in your mind to true destinations. The company are almost all Irish, and *they handle the pretty language* as if born to it.

Stephen Rea plays Christy Mahon, the boy whose family quarrel wins him the reputation *of the Only Playboy of the* Western World. It is the performance from him I have been waiting for since I first began to notice him at the Royal Court —*totally committed*, consistent in every detail, as closely fitted to the parts around him as a piece in a jigsaw. His exhibition to the awed villagers of the way he *hit his father* over the head with a shovel while they were digging potatoes is right to the last spit.

The women who wrestle for his favours are closely matched. Susan Fleetwood as Pegeen Mike could perhaps stress the dominance in her personality and make herself a little less likeable, but hers is a fine performance and the pathos of her final deprivation wrings the heart. As the Widow Quin, Margaret Whiting shows us a flamboyantly racy woman who has *taken* more trouble over her looks than anyone else in the village. Sometimes I felt her a shade too dramatic.

Poor sad little Seán Keogh, his life dominated by his fear of the priest, is played by Jim Norton; his timidity never shows up better than when he is dragooned into facing Christy in a stand-up fight from which he retreats almost at once to hide behind Pegeen Mike's back. All the small parts are convincingly done. Liam Redmond, a commanding figure in his bowler and black coat, as Michael James, J. G. Devlin a marvellous sketch of peasant savagery, as old Mahon, his head turbaned beneath a bandage soaked in old blood.

But why did I want to weep at the exultant moment of Christy's greatest triumph, *when he is carried in by the* village people after winning all the major events at the sports and presented with his prizes? It was not at his subsequent humiliation that I had the urge, not when all his easily-won victories are torn from him and replaced by shame, nor at the moment of Pegeen Mike's realisation that the victorious figure she had set her mind on had been brought to dust. It was at the cheers of the villagers for their new hero, the boy who had killed his father with one blow of his spade.

It is all too relevant to what goes on to-day. *The Playboy* is a comedy, and no one believes that what takes place in it would be likely to take place exactly the same in real life. But the casual attitude to life and death, the glorification of the criminal because he has got away with his crime—we see these things reported every day in the Press, and then they are not for laughter.

Well, *The Playboy* is for laughter anyway, for laughter and pathos and poetry and sympathy, and I doubt if there is a happier evening to be had in the London theatre anywhere at this moment.

Elizabeth Hall

Amy by MAX LOPPERT

The London Sinfonietta on Wednesday presented two works by Gilbert Amy new to this country, one a first performance. Common to both was the sense communicated of a seductively cool, elegantly choosy ear for finely contrasted instrumental timbres; for the mix of trickling, whispering, prettily muted sonorities; for gentle, distinctive balances of section against section. Neither work struck me as carrying *much weight or going with much* force of energy or daring beyond confines drawn by the composer with remarkable, fastidious assurance.

The earlier piece, *Sonata pian'e forte* (which reached its final form early this year), was the more varied, but also the longer and in parts the more uncomfortably protracted. The title alludes to the spatially contrasted outlay, the "question-and-answer" *formulas*, of the great Venetian composers. Blocks of sound were there in the music, also the inter-responses formed *by two texturally contrasted* instrumental groups (a soprano and a mezzo soloist associated with each): but not ringing grandeur, nor containment of space. Instead, one gentle, static, sometimes ravishingly pretty episode followed another — the singers cooing together, or forming a duo or with a particular instrument, made some beautiful sounds — without imposing a sense or cumulative momentum or structural architecture on the *listener. Quite probably, this was* not the composer's intention; but the effect of the whole was a little blanched and bloodless. Judith Nelson and Sarah Walker were the delicately precise singers.

The new work, conducted (as was the entire concert) by the composer himself, was *Seven Sites:* less overtly antiphonal, more concerned with the contrasts and combinations of horizontal and vertical elements. Individual phrases or sections—the opening patter for celeste and scurrying strings, the solo *horn recitative—were likely to* be exquisitely clear, as precise as the handwriting in Mr. Amy's manuscripts; but again there was little feeling of a larger excitement or impetus. Also in the programme were a Haydn Divertimento, unimaginatively read through, and the two Ravel "chamber" song-cycles — the *Chansons madécasses*, with Miss Nelson a somewhat antiseptic soprano, and the Mallarmé songs, with Miss Walker more sensuous and verbally responsive (if also vocally a little curdled), supported by tidily-played accompaniment.

WORLD TRADE NEWS

China's new plants to step up oil and petrochemical production

BY A CORRESPONDENT CANTON, Oct. 30.

OFFICIALS HERE have confirmed that China is building an oil refinery and petrochemical complex in this city's port area, Whampoa. It will be fed by a new oilfield of undisclosed size in Nanhai county, little more than 50 miles west of Canton.

At the same time, extensive double-track rail work is being started from a point on the Canton-Hong Kong line, south-west of here, and leading in a northerly or north-easterly direction. Observers in Hong Kong believe the work may be connected with the long-planned completion of a trunk route from Canton to Shanghai, through Fukien Province.

Canton's present rail link, with Peking through Hunan Province, was blocked for several weeks in July and August by extensive flooding. Sources here were willing to admit unofficially that the halts caused "some difficulties."

If Kwangtung Province has an on-shore oilfield of commercial significance, its importance for the development of Southern China may be incalculable. Although the People's Republic is known to have more than enough oil for its foreseeable industrial needs, the location of that oil has always been a problem.

Prior to the discovery of Taching oilfield in 1958, petroleum had to be transported from the western oilfields of Karamai and Yumen and extracted from oil-shale at heavy expense. Except for the elderly Manming shale oil complex, South China has not so far confirmed oil resources, although offshore oil has long been thought a possibility.

A U.S. Congressional committee, with the assistance of the Central Intelligence Agency, has published a map showing the area west and south-west of Canton as an "area with oil prospects."

Earlier this year travellers saw oil derricks near the city of Sanshui, and more recently drilling rigs have been seen to the south, near Kiangmon. The drilling effort, however, according to qualified sources in Hong Kong, is "small and scattered."

The potential of the area is not known. Dr. Ho Ping-Ti, the U.S. history professor, who claimed to be briefed by senior Peking officials last year, said the oilfield was likely to supply the Whampoa refinery through a pipeline. That would indicate that significant quantities of petroleum exist.

Nanhai field

One businessman attending the Canton Trade Fair here claims he has been told by Chinese officials that the Nanhai county field was "bigger than Taching."

Taching, according to a July broadcast, produced more than 17.5m. tons of crude in the first half of 1975. Previous estimates that Taching accounted for only 25 per cent. to 30 per cent. of China's oil have apparently been on the low side.

Although Canton sources indicated there was indeed an oilfield, they would give no details, much less allow a visit. The construction site of the oil refinery at Whampoa was also said to be "too busy" to be seen. A Hong Kong Left-wing newspaper, however, has published the following points about the refinery:

Design work began in May last year and construction in August. The project is considered "a struggle against time." So far six cracking towers have been completed.

The Canton Petrochemical Plant "is one of China's large petrochemical industrial complexes." The first stage of output "will be the equivalent of 2m. tons of coal (hence about 1.3m. tons of refined products). The worksite covers an area of 333 acres."

The plant will supply chemical fertiliser and "industrial raw materials" of unspecified variety. The fertiliser plant will be a urea facility, including a tower more than 233 feet tall and weighing 340 metric tons.

The urea plant may well be U.S. or Japanese-built, since your correspondent was told that some of the Whampoa equipment "may be foreign." One of the 13 large fertiliser plants China purchased in 1973 will be built in Kwantung Province.

The petrochemical complex is also most likely to produce synthetic fibres. At the Canton Silk Textile Plant, which also makes synthetic piece goods, it was said that some of their future raw material needs would probably be met by the new Whampoa facility.

This silk factory plans to put the major priority on production of synthetics in the next Five Year Plan. It is explained here that China's cotton lands are of limited extent and may also be used to produce grain. The petroleum base of synthetic fibres is apparently viewed as unlimited.

Other new Chinese refinery-petrochemical complexes also stress synthetic fibres. The Shanghai facility will have a velon plant.

Whatever industrial raw materials the Whampoa facility produces, they will find a ready market in Hong Kong's factories about 80 miles to the south.

Hong Kong imported $412m. worth of petroleum products last year, of which only a tiny amount of kerosene and light diesel fuel —$17m.—was from China. But Chinese petroleum products were sold at extremely competitive "friendship" prices, and their popularity is increasing rapidly.

Plans for the construction of two oil refineries, one by a consortium of Dow and Shell, and the other by a consortium of the Japanese TOA and Hong Kong Textile Alliance groups, died early this year in the wake of the oil crisis. However, Dow is going ahead with construction of a $30m. polystyrene plant, scheduled to be completed early next year.

There is no indication that the Whampoa facility will be big enough to handle the needs of Hong Kong as well as developing Canton. As Mr. Tsou Szu-Yee, the Canton Trade Fair Deputy Secretary-General put it, "petroleum refineries are mainly for our own market. The rate of petroleum exports is small. The schedule is arranged by the State which refinery will export refined oil."

The description of the Whampoa complex as "one of China's large petrochemical complexes" is causing some confusion in Hong Kong. At 1.3m. tons, it is hardly in the running with the Taching (estimated at 6m. tons in 1973) or Shanghai refineries. The sources quoted, however, may be referring to the petrochemical part of the Whampoa complex or to its plans after the first stage. Oilmen in Hong Kong think the first stage will be completed in 1977.

Feedstock for the Whampoa refinery is likely to come from the north initially, and this is perhaps the reason for the new rail work. Transport by small tanker would be more probable, and construction of a 20,000-ton new pier is under way at the port. At the moment, only 10,000-ton ships can be handled.

Refining capacity

Most foreign observers agree that China's refining capacity has been growing at a rate somewhat slower than her crude oil production. An official Chinese article published last year said that capacity grew by 270 per cent. from 1965 to 1973, and that "more than half the big increase in refining capacity was effected through technical transformation of old refineries."

The article added: "Refineries are now better distributed geographically because the new ones are close to the consumer areas."

Canton, China's largest southern city, is one consumer area which until now has been neglected. Last month a broadcast from there noted that its industrial production "is now about 100 per cent. up on 1965 and is 23 times greater than in 1949." Canton now has industries to manufacture "metallurgical productions, machinery, agricultural machinery, motor vehicles, ships, electronics equipment, chemicals, construction materials, electricity, rubber, textiles, light industrial products and drugs."

India, Kuwait ship venture

By K. K. Sharma

NEW DELHI, Oct. 30.

THE Shipping Corporation of India and the Kuwait Foreign Trade and Investment Company are negotiating the formation of a joint shipping venture. It involves the provision of expertise and manpower by the Indian concern and finance from Kuwait.

Admiral S. M. Nanda, chairman and managing director of the corporation, said the venture would be on the same lines as the Irano-Hind Shipping Company which is jointly owned by the corporation and Iran's national shipping lines.

The corporation made a record profit of rupees 333m. (£18.25m.) in 1975 and had saved foreign exchange worth rupees 940m. (£51.53m.) by its operations, he revealed. Total tonnage is now 3.5m. d.w.t., comprising 126 ships.

The corporation has entered into a 16-year fixed rate contract with Indian iron ore exporters to promote exports. The rates will change only on two grounds—wage charges and oil prices.

Admiral Nanda explained that the corporation's overall profitability would inevitably be affected by the uncertain future of tankers. The world-wide recession and switching of carriers and tankers to the dry cargo sector had led to a steep decline in the dry cargo freight market, but none of the corporation's ships was without work. Despite the sharp fall in charter rates for tankers the corporation would show a current year profit.

Monsanto is to build a manufacturing unit with capacity 50,000 tonnes a year of Lustrex impact polystyrene at its Wingles, Pas-de-Calais, plant in France. The unit is scheduled to be in operation by mid-1977, and will increase European annual capacity to over 200,000 tons.

Italo-Polish trade growth

BY DOMINICK J. COYLE ROME, Oct. 30.

EXPANDED TRADE exchanges between Italy and Poland, the USSR and Brazil will result from official visits to Rome this week by the Polish and Soviet foreign trade ministers and by Sr. Francisco Azeredo, the Brazilian Foreign Minister.

Several new trade agreements have now been signed between Rome and Warsaw, including one which envisages the establishment of a number of Italo-Polish companies to operate in the industrial and agricultural sectors in both countries.

During his visit, Mr. Jerzy Olszewsky, the Polish Foreign Trade Minister, concluded negotiations on two financial credits amounting in total to $500m., covering the purchase of Italian equipment and industrial products.

Italy is to supply Poland with two cargo vessels, and will co-operate in the development of the Polish mining industry. For its part, Poland has entered into an agreement which, according to officials here, will guarantee Italy supplies of coal and coke over the next few years.

New Italian trade credits to the USSR amounting to $900m. were agreed this week during the visit to Rome of Mr. Nikolai Patolicev, and one of the first fruits of this latest Italo-Soviet deal is expected to involve Snia Viscosa, part of the Montedison group. Industry sources in Milan say Snia is to supply the Soviet Union with two complete plants to produce caprolactate through ammonium sulphate processing.

Mr. Patolicev has also been having talks here with senior officials of ENI with a view to expanding oil and natural gas imports from the USSR and also covering further ENI-USSR co-operation in the petrochemical sector and in technological research.

Additional Italian trade credits have also been negotiated with Brazil during the visit of Sr. Azeredo. Trade between the two countries last year was worth some $700m.

Swedish import restrictions

BY JOHN WALKER STOCKHOLM, Oct. 30.

THE SWEDISH Government has confirmed that it will introduce import restrictions on shoes and boots and that the textile and clothing industries will get Kr.200m. (£22.19m.) in the form of government orders. Licences will be required for the import of textiles and clothes.

Both industries are facing economic crises, and with the influx of current cheap imports the situation has deteriorated. Some serious unemployment problems have appeared.

Of the annual Kr.5bn. (£555m.) spent on clothes in Sweden, about 40 per cent. is imported, mainly from the Far East. About three out of every four garments are imported, and two out of every three pairs of shoes come from abroad.

Both the textile and shoe industries have been seriously hit during the last decade, with clothing and textile companies merging or going out of business. The shoe industry has diminished to about half the number of concerns operating ten years ago.

Russia rations oil, gas for Hungary

By Paul Lendvai

VIENNA, October 30.

THE SOVIET UNION is willing to help Hungary in tapping its brown coal deposits but will not increase shipments of oil and natural gas to Hungary this year. This is the main conclusion which emerges from a statement by Dr. Gyula Szeker, the Hungarian Deputy Premier, after signing 13 Hungarian-Soviet agreements in Moscow.

Hungary this year is to receive about 6m. tons of crude and 1bn. cubic metres of natural gas, which depite repeated Hungarian pleas represents no increase on 1974 levels. Hungary should have received 6.5m. tons of oil already this year, and last April an increase of Soviet oil deliveries to 9m.-9.5m. tons by 1980 was indicated. The latest statement indicates, however, that at any rate for the next years Russia is willing to increase shipments.

The agreements signed in Moscow cover co-operation in the engineering, telecommunications, motor, chemical, paper and pharmaceutical industries. Hungary will import annually 15,000 Soviet cars in exchange for Hungarian-made components.

Meanwhile, Hungary's Central Statistical Office has revealed for the first time that the price-increase for imported raw materials from the Comecon, primarily the Soviet Union, has caused losses this year to the tune of "several billion Forints" (1bn.=£10.2m. at the commercial rate).

Export Contracts

APV INTERNATIONAL will equip a Czech ice cream factory with automated blending and freezing plant at a cost of £500,000.

W. Berlin opportunities for U.K. exporters

BY MARGARET HUGHES

A TEAM representing the West Berlin fairs, exhibitions and congress authority (AMK) has been in Britain trying to convince more U.K. businessmen of the role which exhibitions have in increasing world trade.

At a time when the West German economy is affected by the sharp decline in its own export markets, the visit may have seemed a little ironic. For as the West Berlin team, led by Dr. Manfred Busche, AMK's joint managing director, and accompanied by Herr Jeorg Schlegl, State Secretary for Economics freely admitted, the trade events which they staged did little to further West Germany's own export effort. They are of more value to the foreign exporter keen to sell to the German market.

West Germany is the U.K.'s second largest trading partner after the U.S., while Britain ranks seventh among West Germany's and fifth among its EEC trading partners.

Last year Britain increased exports to West Germany by 29 per cent. to £1bn. after a rise of 33 per cent. in 1973. In the first eight months of this year U.K. exports were 21 per cent. higher at £794m. But West Germany lifted exports to Britain by 40 per cent. last year to £1.9bn. (£27m. from West Berlin) after a 55 per cent. rise in the previous year. Over the first eight months of this year, however, German exports at £1.3bn. shows only a marginal gain of £58m. on the same period of 1974. Britain thus had a fairly substantial deficit on its trade with West Germany—£880m. last year, and £504m. thus far this year.

Despite the deficit, U.K. industry is not very well represented at the West Berlin trade fairs and exhibitions. Britain's EEC partners are much keener participants in this "very exhibition-minded" market. Yet, as the AMK team pointed out, the deterioration in the sterling/D-mark parity meant West Germany offered a "vast potential market for good quality competitive British products—and not just for Jaguars, whisky and antiques."

Herr Klaus Balzer, director of the German Chamber of Industry and Commerce in London, attributes the small British presence largely to the newness of its EEC membership. But AMK hopes to change this—although the motives in encouraging British industry to exhibit in West Berlin may have rather more to do with the profitable running of exhibitions than any great concern for British exporters.

U.K. deliveries to West Germany are mainly in the capital goods sector—almost treble those of consumer goods—although the AMK team believes there is a relatively untapped potential for those too. It points out that imports account for as much as one-third of West German car sales—mainly from France and Italy—while the Dutch, Danes and again the French, have all achieved greater penetration with other consumer goods such as small electrical products.

In the coming year AMK will be staging a wide range of exhibitions to which it hopes to attract British industry. These include the 50-year old International Green Week, which has developed into a forum of European agrarian politics. Then there is the International Tourism Exchange, which last year included for the first time participation by the British Tourist Authority along with several U.K. companies and tourist bodies.

Other fairs to be held next year are the two year-old Multiserva catering show, the German Congress for Medical Advanced Training, which will be in its 25th year, the Overseas Import Fair, providing countries outside Europe with a chance to attract new orders and European businessmen the opportunity to evaluate new products and trends—last year exporters from 54 countries participated—as well as the more glamorous Interchic fashion fair.

As with so many other exhibition centres, AMK is moving more and more towards specialist displays running in conjunction with conferences and congresses. With that in mind it is constructing a new Berlin Congress Centre—literally across the street from the Exhibition Hall, which already ranks as the world's tenth largest international congress centre. When completed in 1978 AMK will be able to offer a more comprehensive service to industry, including that of West Germany, by providing a forum for the exchange of ideas and technology.

Apart from its geographical position in the centre of Europe, West Berlin has the further advantage of being a boundary city between East and West. Since the signing of the four Power Agreement, East bloc countries are now able to participate alongside Western exhibitions.

AMERICAN NEWS

Pension funds could save New York, says Simon

BY PAUL LEWIS, U.S. EDITOR WASHINGTON, Oct. 30.

THE U.S. Treasury Secretary, Mr. William Simon, told Congress to-day that there were still vast financial resources which New York City could call upon to avert a default on its debts.

In particular, he suggested funds in its employee pension that the city could use the funds as collateral for new loans to meet its obligations while it brought its budget back under control.

Alternatively, New York State could raise the needed money by a temporary and emergency increase in the sales tax for the next three years. Mr. Simon suggested a 3 per cent. surcharge the first year, reducing by one per cent. annually.

The Treasury Secretary's suggestions for warding off a default coincided with a front page report in the New York Times this morning that the city was already negotiating to borrow $4bn. using municipal union pension funds as security.

According to the paper, New York is hoping to use the $8.5bn. in these pension funds to guarantee an operation that would convert the city's short-term debt into long-term obligations through the Municipal Assistance Corporation (MAC) and so eliminate its recurring cash-flow crises.

[The chances of assembling a new rescue package using pension funds as collateral were described as "exceedingly slim" this morning by Mr. Felix Rohatyn, chairman of the Municipal Assistance Corporation, writes Guy de Jonquieres from New York. Mr. Rohatyn, a partner of the Lazard Freres investment bank, has played a leading role in the recent efforts to keep New York out of default.

Mr. Rohatyn said that without federal assistance, the city has "one chance in 20" of surviving a default until January. He added that default was most likely to occur on December 10, but that it could happen as early as mid-November.

At the same time, Governor Hugh Carey of New York State said that local authorities would encourage mass demonstrations in the city streets as a show of support. "We are going to take a day. We're going to turn out New York City. We're going to sound off. It's Operation Comeback. It's Operation Alive and Kicking," he said.]

However, Mr. Simon maintained stoutly in his testimony this morning on New York's problem before the House Banking Committee, that a default would not have any serious effect on financial markets or on the country's economy.

Although a default was undesirable and should be avoided if possible, the Treasury Secretary said that he did not believe it would "devastate our financial markets or our economy."

As expected, Mr. Simon strongly opposed the Committee's plans to stave off default by offering federal guarantees for further borrowing, which President Ford made clear yesterday that he will veto if passed by Congress.

However, the Committee turned a deaf ear to his pleas for Congress to adopt the administration's alternative plan for changing the law so that New York could declare itself bankrupt and still maintain essential services while its finances were restructured.

By a vote of eight to five, it agreed to pass the scheme for $4bn. of federal guarantees for city borrowing on condition that New York takes steps to bring its budget back into balance. But the ranking Republican member, Senator John Tower of Texas, predicted that it would never become law.

The Bill faces a certain filibuster by conservatives when it reaches the Senate floor and even if passed, does not yet appear to have enough support to be sustained against the promised Presidential veto.

Venezuela may seek European technicians

By Joseph Mann

CARACAS, Oct. 30.

THE VENEZUELAN Government is reportedly ready to initiate a programme which would bring thousands of skilled European emigrants here over the next few years in order to ease the shortage of trained Venezuelan technicians and to fill the multitude of specialised jobs that are being created by industrial growth in several areas.

Under the proposed programme, the Inter-Governmental Commission for European Migrations, which aids European emigrants to find jobs in other countries, would supply Venezuela with some 3,000 trained personnel per year beginning in 1976, a source close to the programme said.

Venezuela's industrial development, spurred on by heavy Government spending over the past two years, would be sharply limited if the country cannot find new sources of engineers, management personnel and technicians for a number of areas, according to businessmen and Government officials involved in procuring skilled workers.

The specialised immigration programme now under study would play a key role in relieving this shortage. The immigrants are expected to come from a number of countries, but especially from Portugal, Italy, Spain, Latin America and the U.S. They would be guaranteed jobs in Venezuela before arriving.

A Government official said that the programme would be aimed at individuals with specialised skills that are needed in Venezuela and would not be a general invitation to mass immigration. The official went on to explain that the plan would be the beginning of a long-term agreement with the Inter-Governmental Commission if it proved to be successful.

President Carlos Andres Perez and other Government leaders are said to be in agreement with the "technician import" plan but no information on the matter has been made public in Venezuela.

Brazil anti-trust suit filed

BY DAVID WHITE RIO DE JANEIRO, Oct. 30.

THE LONDON-based International Electrical Association and an affiliated organisation in Sao Paulo are cited in anti-trust proceedings started here by the Administrative Council for Economic Defence (CADE).

The case, opened at the request of Codima SA, a machinery subsidiary of the Brazilian Herm-Stoltz group, involves all the major foreign companies manufacturing heavy electrical equipment in Brazil. Codima alleges that the local organisation Ibemep has financed "combat" operations to sabotage the market position of non-members. It claims methods used include under-pricing, refusal to supply components and abuse of participation agreements.

An attempt is being made to link the case with five others now in process in various countries against electrical groups—including the Office of Fair Trading's investigation of the cable market in Britain.

The other cases are Zenith Radio's $900m. suit in Philadelphia against 20 consumer electrical companies, American Power's against Westinghouse and General Electric, the U.S. Justice Department's against Mitsubishi and Westinghouse in California, and the Argentine Government's against International Telephone and Telegraph and Siemens.

The CADE proceedings cite, among others, AEG-Telefunken, Asea, Brown Boveri, Hitachi, General Electric (of the U.S.), Westinghouse, Siemens and Toshiba. All are members of the International Electrical Association, whose operations regarding Brazil are also subject to investigation.

St. Louis bank cuts prime rate

ST. LOUIS, Oct. 30.

FIRST NATIONAL Bank of St. Louis cut its prime rate to 7¼ from 7½ per cent., effective to-morrow.

First National of St. Louis is the second largest bank in St. Louis, and the 66th largest in the country, with deposits of about $1.3bn.

Reuter

Cuba signs DM350m. loan

BY HUGH O'SHAUGHNESSY HAVANA, Oct. 30.

THE NATIONAL Bank of Cuba this afternoon signed a DM350m. five-year loan with a group of international banks led by Credit Lyonnais.

There are 15 co-managers and 31 other banks participating. The interest rate is 1¾ per cent. over the London Interbank rate and the grace period 30 months — seven months more than the grace period for the London syndicated loan concluded earlier this year.

According to Cuban sources this will be the last Euroloan to be arranged for some months. Cuba's future borrowing will depend to a certain extent on the final shape of the 1976-80 five-year plan whose scope, as President Dorticos mentioned here in a speech last Monday is to be narrowed. One interesting feature of the loan is the presence among its participants of National and Grindlays, which has a large U.S. shareholding.

The loan ceremony came as the culmination of several days of festivities to celebrate the 25th anniversary of the establishment of the National Bank of Cuba attended by several hundred chairmen and directors of international banks.

Swiss accept new U.S. envoy

BERNE, Oct. 30.

THE SWISS Government said to-day that it has agreed to the appointment of Mr. Nathaniel Davis as the new United States Ambassador to Switzerland, after finding no evidence to support charges that he worked for the CIA in Chile. Mr. Davis was Ambassador in Chile in 1973 when the Government of Salvador Allende was overthrown.

UPI

A new U.N. office will formulate a code of conduct for the embattled multinational corporations. Our U.N. correspondent reports.

A searching inquiry

A DOZEN professionals with an equal number of supporting staff working from a small suite of offices on Third Avenue in New York are launching a project on November 3, the results of which will most probably have a profound effect on many of the world's mightiest industrial concerns and on the developing countries' attempts to snare a bigger portion of global wealth. After months of careful preparation, the UN Information and Research Centre on Transnational Corporations, formally begins work. Formulating a code of conduct for multinational investment is among its first priorities.

The first Executive Director of this latest unit in a proliferating battery of agencies and programmes which reflects increasing UN involvement in world economic problems is Mr. Klaus Sahlgren, 47, former Finnish ambassador to the UN Office in Geneva, and lately Chairman of the Council of the General Agreement on Tariffs and Trade (GATT). He has the rank of Assistant Secretary-General in the UN hierarchy. He is both an economist and a diplomat, with foreign service experience that includes two years in the Finnish Embassy to China.

The new centre is a direct product of recommendations made by a so-called "Group of Eminent Persons" assembled by the Secretary-General, Dr. Kurt Waldheim, to study the impact of multinational corporations on development and on economic relations. In its report, issued on June 9, 1974, the 20-member panel, headed by Mr. L. K. Jha of India, proposed the creation of both a permanent UN Commission on Multinational Corporations under the Economic and Social Council, as a focal point within the UN system to keep the subject under regular review, and an information and research unit to service the commission. In August 1974, at the behest of the developing countries, the term transnational superceded multinational. They said it better described "the real and legal nature" of these giant enterprises, the resources of many of which greatly exceed the GNP of all save the richest nations.

At its first two-week session last March the new 48-member commission, meeting under the chairmanship of Mr. R. S. Bhatt, head of the Indian Investment Centre, prepared a detailed programme of work concerning the whole range of issues related to transnational corporations. The commission is an inter-governmental body, like all such UN units, and it is evident that the interests of the companies, the TNCs as they are called now, will be secondary in its consideration to those of governments and nations. In its conclusions and recommendations, the commission said that if all the interests were to be served of "the countries concerned with the full range of issues relating to transnational corporations, and in particular the subject of the regulation of and supervision of their activities, it is of the greatest importance that the areas of concern regarding the activities of transnational corporations be clearly spelled out."

> "It is of the greatest importance that the areas of concern regarding the activities of the transnational corporations be clearly spelled out."

The commission, which will meet again before the spring session of the Economic and Social Council, for which the report was prepared, decided that its work programme, into which the Centre operation neatly dovetails, should focus on five areas: preliminary work on a code of conduct; establishment of a comprehensive information system; research on the political, economic and social effects of the operations and practices of TNCs; organisation and co-ordination, at the request of governments, of technical co-operation programmes concerning TNCs; and work leading to a definition of a transnational corporation.

In the commission discussions, the Latin American and Caribbean countries in particular emphasised their wish for the early defining of a set of fundamental rules of conduct. From the beginning of the UN's involvement in the question Latin American delegates have been in the forefront. Businessmen in the U.S. and some other industrialised countries with extensive transnational interests, understandably, are afraid that any UN code will lay greater emphasis on the regulation of TNCs than on host governments' obligations in such areas as adequate, prompt compensation when property is expropriated.

In hopes of influencing the recommendations of the UN centre — to be known by the acronym UNIRC — and of the commission, the Organisation for Economic Co-operation and Development (OECD) has already begun work on its own proposed code of investment conduct. After all, the centre has been charged with the task of making "a comparative study of existing international codes of conduct or guidelines drafted with the purpose of influencing and/or regulating the operations and practices of TNCs, including the study of relevant materials underlying such codes." It must also study existing national and regional legislation and regulations "enacted with the purpose of regulating the operations and activities of TNCs" and receive "suggestions as to possible methods of intersessional work by the commission which would further the task of drafting a code of conduct."

Precisely how comprehensive UNIRC's operations are intended to be when the necessary technical staff have been engaged — clearly, it is too tall an order for the dozen pioneers — may be seen from the commission's request that it work also in the following "priority areas, where information gaps are most pressing": transfer pricing and taxation; short-term capital movements by TNC's; restrictive business practices (other than those already covered by the UN Conference on Trade and Development); corporate ownership and alternative forms of business participation; market concentration (giving special consideration to acquisition of participations and mergers); relative use by TNCs of home, international, and host countries' financial markets in their operations and investments; alternative forms of management and control; political activities of TNCs; social impact of TNCs; the impact of TNCs on freedom of labour organisations, trade union rights, labour standards and working conditions.

The Social Committee of the UN General Assembly has just been considering the question of human rights in the context of scientific and technological developments in industry. The International Labour Office representative said that these developments tended to make work less and less attractive, turning even service industries such as banking and insurance into computerised factories. That is another aspect in which UNIRC certainly is interested.

The essence of UN concern, meaning mainly the concern of the third world majority, is contained in the report of the Group of Eminent Persons, where it praised the sense of social responsibility displayed by some multinational companies, but found that that self-regulation was on the whole inadequate and that these firms reacted to the environment in which they operated. Thus, the panel said, they should be directed "if they are to serve well the social purposes of development." The Group also said that the bargaining power and ability of most host developing countries should increase, so that the distribution of benefits became more equitable. Conditions should be such that "both parties find the relationship rewarding."

M. Philipe de Seynes of France, who was at the time Under-Secretary-General for UN Economic and Social Affairs, and now serves the world body as a special consultant, made the point that the impact of the TNCs is both political and economic. "It is they who on the whole decide the manner in which the gains from their operations will be distributed; whether these gains derive from the exploitation of natural resources, from the development of new technology or from the organisation of a world-wide marketing system," he said. "This ability to direct resources constitutes in effect a significant modification of the economic power structure we have known in the past, and clashes with ideas of national sovereignty as we have come to understand them.

"Abuses do occur and when known receive wide publicity. But it is important to recognise that the problem is an inherent one, which would exist with its inevitable tensions and conflicts of interest, even if there were no abuses."

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هكذا من الأصل

Another Beirut ceasefire flouted

BY IHSAN HIJAZI

BEIRUT, Oct. 30.

CHANGES of fire continued e to-day despite a new ceasc- arranged over-night under auspices of Mr. Rashid 'ami, the Prime Minister. clashes remained intense in suburbs especially in the frontation between Chiyah Ain-al-Rummaneh where big fires were still raging.

he fighting between the resi- tial neighbourhoods of tari and the hotel district osite on the waterfront d up but sporadic shooting d still be heard there. Even the lull helped the evacua- of some 200 guests and staff he three main hotels of the day Inn, the Phoenicia and Saint-Georges, where they been stranded since last rday, when the gunbattles e out.

though the provisions of the ceasefire were not disclosed ally, they were known to ide commitments by both st and Rightist combatants egin dismantling the barri- and removing gunmen the streets, as of to-day. rvers here who have seen ast seven ceasefires collapse e past 20 days said that only the armed men are off the ts completely will there be onfidence in the new truce.

ndreds of men in combat es and equipped with light eavy weapons were still at positions this afternoon. easefire was forced on the rival factions after a night of political drama during which Mr. Karami threatened to resign, and, in the words of the Press to-day, "bring the temple down on the heads of everyone."

The Premier, who spent the last two nights at Government House in the centre of the capital, had sat down to write a lengthy letter of resignation to the President, Suleiman Franjieh, "exposing the elements who are obstructing the restoration of peace."

It was only after Rightists, Leftists and Palestinian commando leaders had promised to co-operate in enforcing a new truce that the Prime Minister decided to stay on. Also the Syrian Foreign Minister telephoned Mr. Karami, urging him not to quit and offering any assistance that Syria might be able to give.

Yasser Arafat, the chairman of the Palestinian Liberation Organisation, accompanied by top aides, arrived at the Premier's office where Lebanese security officers were waiting. Arrangements for the new truce were worked out and passed on by telephone to the Interior Minister, M. Camille Chamoun, and to M. Pierre Gemayel, head of the Right wing Christian dominated Phalangist Party.

Both assured the Prime Minister of their readiness to co-operate and later issued orders that their followers observe the ceasefire strictly.

Vhite mercenaries ighted in Angola

JANE BERGEROL

LISBON, Oct. 30.

moured column of Holden o's FNLA and of Dr. bi's UNITA moving north- from that port of edes towards Sao Nicolau, is about 300 whites and English-speaking Africans, tuguese parachute unit d to Lisbon to-day.

the first time a Portuguese s been at a city captured LA and UNITA and has uently been able to give nd reports of white aries fighting for the two on movements.

rding to the paratroopers, mn consists of about 600 lf of whom are white, and of whom speak English as me of their African es. The column is d with French-made armoured cars. The equipment, according to ese military sources, ave come from either r South Africa, but not supplies left by the ese Army as it withdraws ngola.

FNLA and UNITA forces hern Angola, now clearly y a substantial number of are pressing hard on the n flank of the Socialist Popular Movement for the Liberation of Angola, in an attempt to reduce the area of Angola under its control between now and independence on November 11.

Portuguese military sources say they have not yet been able to check out reports of British manufactured Hunter aircraft in FNLA hands. However, there is great anxiety in Lisbon over the fact of the Mocamedes column containing English-speaking Africans since it would seem they would have to be Ovambos from the border area with Namibia and could be from within Namibia itself, led by South African merceneries.

The MPLA military commander in Luanda has affirmed that regular South African troops as well as mercenaries are involved. However there is no confirmation from Portuguese sources of the presence of regular South African troops inside Angola other than at one specific point some 30 kilometres inside the frontier to protect the Cunene hydro-electric scheme.

● IN LUANDA U.S. Consular officials confirmed that they were investigating reports that a five man BBC television team has been detained by the MPLA.

ustralia appeals for asefire in Timor

JAKARTA, Oct. 30.

ESIAN Foreign Minister, Malik left here to-day for or talks with his Portu- counterpart on ending ody fighting in Portu- imor.

left, informed sources id forces wanting the to be integrated with ia were reported to be ilaco, only 25 miles from e capital of Portuguese Dili is in the hands of wing Fretelin Movement ants the territory to be dent.

r to-day, Mr. Malik said etelin was using foreign ries in the war but not disclose their ity. "It is not our busi- e said.

Meanwhile, Australia to-day called for an end to the two months-old civil war in Portuguese Timor, and offered to host peace talks grouping all parties involved.

Foreign Minister Don Willessee said in a statement in Parliament that Australia deplored the fighting in border areas between Portuguese Timor and Indonesian Timor, and that a solution should be sought through peaceful means without external intervention. Senator Willessee said Australia hoped the meetings between the Portuguese and Indonesian Foreign Ministers would produce positive and constructive results.

Reuter

hara staff fly out

MADRID, Oct. 30.

has begun evacuating from the Saharan capi- l Aaiun, official sources he authorities flew out l in the first stage of on plans as Spanish Legion troops patrolled n after taking control y.

officials and civilians e to leave to-day, the said.

while, informed sources evacuation began as ia, Morocco and Algeria d talks here with a Government which is ly determined to with- m the territory as soon le, especially in view of Franco's critical illness. s: The Algerian news APS quoted political in Madrid last night as hat no agreement had ncluded between Spain rocco on the Spanish It said the same sources d that "contrary to the picked up by certain ion media, the Spanish not attempt to bring y solution other than vocated by the inter- body, the United Nations ion."

ed sources in Madrid l that Spain is close to ng Moroccan and Mauri- aims to the phosphate- tory. The sources said countries had already partition the territory ritania taking an area th.

considers the principle etermination must be o the territory in line with a UN resolution recommending a referendum. In Morocco, diplomatic observers said they saw the visit to Madrid by Algerian Interior Minister Mohamed Benahmed Abdelghani as an attempt to forestall a demand for a transfer of sovereignty.

Reuter

Israeli ship through Suez Canal

By L. Daniel

JERUSALEM, Oct. 30.

ISRAELI Transport Ministry circles to-day finally confirmed foreign Press reports that the first Israeli-bound cargo is scheduled to pass through the Suez Canal to-morrow.

It will be a Greek freighter, which will travel through the Suez Canal from north to south, with a cargo of 8,500 tonnes of cement destined for the Israeli port of Eilat, on the Gulf of Akaba.

The free passage of non-military Israeli cargoes was agreed upon at the time when the first separation of forces agreement was concluded between Israel and Egypt in January, 1974. Only in the second agreement concluded on September 1, 1975, were conditions spelled out explicitly. The term is "non-military" cargoes, since the term "non-strategic" could have given rise to innumerable differences of opinion. Passage of the first Israeli-bound cargo through the canal now, at a time when President Sadat is in the U.S., rather than before October 22 as originally scheduled, is regarded here as a piece of clever stage management on the part of Egypt.

Meanwhile over one third of Israel's 1976-77 budget, nearly £2,300m., will have to be devoted to defence, it is learned to-day. The requests submitted by the various ministries to the Government, which is to-day meeting for the first time to consider the outlines of the draft budget for the coming fiscal year, total £6,750m. which would involve a deficit financing of nearly £1,000m., something which the finance ministry refuses to entertain. It wants the overall budget pruned by £700m., leaving an anticipated deficit of £300m.,

India ready for elections

By K. K. Sharma

NEW DELHI, Oct. 30.

INDIA'S chief election commissioner T. Swaminathan has announced that "the election machinery is ready to hold elections at any time." An election if required could now be held after 33 days' notice since the work of fresh delimitation of constituencies is complete.

It is not yet known, however, when the next general election will actually be held. India's prime minister Mrs. Indira Gandhi has, whenever she has been asked, always said that no decision had been reached on this and much depends on how the international situation develops. Mrs. Gandhi has also not indicated how long the state of emergency proclaimed on June 26 will last. Elections cannot be held while the emergency is in force. Mr. Swaminathan said that about 320m. people were entitled to vote in the next election as compared with 290m. last time.

SOUTH YEMEN

Struggling towards a start

BY MICHAEL TINGAY, CAIRO CORRESPONDENT

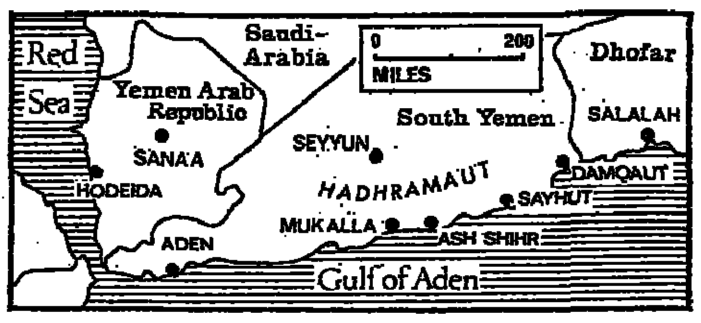
THE FISH MEAL plant at Mukalla shut this summer for an overhaul after one year's production: the monsoon was pushing the seas too high, even for the sturdy *sambuq* fishing boats, and the best fishermen had left for a course in Copenhagen on modern fishing methods. Men and women at the local co-operative repaired nets and chiselled at the wooden skeletons that three months later would be the newest fishing boats in the fleet, powered by Japanese diesels.

Fish exports topped Dinars 2m. (almost $6m.) last year. The current five-year plan foresees a great expansion of fish processing and of cold stores. But though fish will feed the southern Yemenis, and fish meal will pay for other food purchases to-morrow, the country has to dig deep in its pockets to feed its 1.6m. people to-day.

The "People's Democratic Republic of Yemen" (PDRY) is still recovering from the effects of the closure of the Suez Canal in 1967. There is no hope of returning to the 6,000 ships a year of pre-closure days, but with a $15.7m. port improvement plan (with money from the Arab Fund for Social and Economic Development, and from the World Bank) officials are confident that Aden can regain much of its former efficiency. Mr. Mahmoud Mehdi, Minister of Trade, explains: "We hope to restore something of Aden port's former self, but we are not anxious to return to over dependence on a single source of income."

Investments in fishing bring quick returns but there is a long haul ahead to drag agriculture from its present primitive state. Apart from the Second and Third Governorates where links with Lancashire promoted efficient cotton growing in Lahej and Abidjan, agriculture is held back by lack of modern methods. Following the land reform after independence and development of the co-operative farm system better results were achieved by a more efficient distribution of fertilisers and seeds.

Greatest attention in the five year plan is given to expanding



food production in the State farms although most land is farmed co-operatively. In the Fifth Governorate for example, where corn and wheat are supplemented by vegetables, dates and cash crops like tobacco, 95 per cent. of land is farmed by co-operatives, the largest with more than 900 members. In addition there are six State farms and four more are planned to start this year. Planners are keen to break down the traditional patterns; wives and daughters are encouraged to work for daily wages on other farms, away from their menfolk.

The largest capital expenditure in the Dinars 75m. plan goes to agriculture, mainly for irrigation. Ambitious plans in the Abijan delta in the Third Governorate to improve water supply to 45,000 acres and create 5,000 new farming acres should boost production of cotton, the chief cash crop. In 1974, cotton worth more than $4m. was produced on 28,000 acres and planners intend to expand the area under cotton to 50,000 acres by 1979.

More than half the money for the five year plan is being provided from abroad, chiefly by the Soviet Union, Czechoslovakia, and China with credits and loans from the UNDP, IDA, the Arab Fund, and the Kuwait Fund for Economic and Social Development. The most spectacular of the infrastructural projects is the construction by China of a 300-mile road from Aden to isolated Mukalla. Outside Mukalla a small village of tents houses the Chinese workers who will have completed 45 miles of road across the scorching desert by the end of the year. In 1975 Mukalla had only a few miles of metalled road. But another 40 miles of a road north to Seyyun, financed by Kuwaiti and World Bank Funds with project advice by the British Crown Agents, should be completed next year.

While planners are attempting to build a base for what is really an economic starting point at the end of the decade, Aden is struggling with a trade deficit which reached $53m. in 1974, a critical amount for a country whose Gross Domestic Product in 1972 was only an estimated $154m. Exports of home-produced cotton, fish, hides and salt have always taken second place to re-exports to which ships' bunkers are the most important. Bunkering at Aden port was dominated by BP until four of its eight berths were bought out by the Yemen-Kuwait Terminal Company, a joint venture between Yemen National Oil and Kuwait National Petroleum, set up in March, 1974.

With a Kuwaiti gift of 100,000 tons of fuel oil the Terminal Company took over responsibility for bunkering for the Socialist bloc. As a result, last year BP (Aden) sold a mere 120,000 tons of bunkers, as marked a drop as that of production at the BP refinery on the other side of the harbour It currently operates at one-fifth of its 8m. tons capacity.

On the other hand the largest sums of money are borrowed from socialist countries more tolerant of Aden's political position. Moscow is providing $10m. in loans for the five year plan and has consistently provided about one-quarter of the loans received from foreign governments, with China providing a similar proportion and Iraq slightly less. Long grace periods and a success in searching out the lowest interest rates ensure that Yemen's debt servicing does not exceed Dinars 2m. a year.

Future economic development requires more money from neighbouring Arab States. Perhaps with this in mind, the socialist regime seems to be pulling in its revolutionary horns. The Petroleum and Minerals Board has already persuaded one of the traditional enemies, the United Arab Emirates, to finance a large scale project to find and develop deposits of copper, gold, silver, and rare metals. A rapprochement with Saudi Arabia seems to be in the offing and would be more promising. Cairo has been host to a series of secret meetings between high level representatives of the Aden and Riyadh governments, it is understood. The rewards to Aden from a successful conclusion could mean the advent of budgetary support of the kind Saudi Arabia already gives to North Yemen. In return, however, the PDRY would probably be expected to stop assisting the insurgents of the Popular Front for the liberation of Oman in their war against the Sultan in Dhofar.

Aden is not putting out feelers for help from the capitalist camp at Government level only. After some ideological heartsearching, men of the dominant National Front Political Organisation (NFPO) decided to invite foreign oil companies to bid for oil exploration tenders. Until this year the search for oil was confined to an aerial survey project by the Soviet Technoexport organisation and a joint venture between YNOC and the Algerian Sonotrach. Parcels of territory have now been offered and interest has been shown by American, Canadian, French, and West German oil companies.

Despite nationalisation of companies in trade, banking, and shipping, one-third of the economy is still privately controlled, and international companies such as BP, Shell, Caltex, and Cable and Wireless have never stopped operations. Yemenis are being encouraged to put money into mixed sector manufacturing, and there is private capital in Yemen's only match factory.

EUROPEAN NEWS

EEC planning gesture of support for Juan Carlos

BY REGINALD DALE

ROME, Oct. 30.

THE NINE EEC countries will make a symbolic gesture of confidence in the new Spanish regime under Prince Juan Carlos, but they will refrain for the time being from drawing any definite political conclusions about the situation in Madrid.

Although the nine Foreign Ministers hardly touched on Spain during their session of foreign policy consultations here to-day, high-ranking diplomatic sources said that the Community's Political Committee had already decided that the Prince should be given a chance to prove that a new era was really opening.

The symbolic gesture of support would probably be made by a careful choice of representatives to attend the Prince's eventual official installation. But officials here said that no final arrangements would be made until the precise order of events in Madrid was known.

In their talks here to-day, the Nine concentrated on harmonising their approach to world events and forthcoming debates in the United Nations General Assembly. They studiously avoided the Community's major current contentious issue — Britain's demand for a separate seat at the December session of the North-South dialogue on energy and raw materials in Paris.

The controversial British plan will surface again at next week's Council of Ministers in Brussels, but the issue may not now be finally resolved before the next EEC summit, due to take place here on December 1 and 2. The other EEC countries now seem to have decided that the best tactic for the moment is to give the British more time to reconsider their position.

The general view is that it will be increasingly difficult for the U.K. to maintain its lone stand, the closer the December meeting approaches.

Officials from the other EEC countries are pointing out that work is steadily progressing in the OECD to draw up the list of industrialised countries that should take the eight available seats at the December meeting.

Apart from the EEC, the U.S. and Japan, it is virtually certain that two other seats will go to Canada and Australia. The betting here is that the remaining places are most likely to go to Sweden, Switzerland and Spain, though Greece, Turkey, Norway and Austria are still apparently in the running.

In to-day's talks, the Ministers agreed to oppose moves to brand Zionism as "racist" in the UN—though France appeared to be less strong in its opposition than the other eight countries.

It was also decided to keep a close watch on how far the Soviet Union carries out its commitments to increase East-West contacts under the Security Conference, the general view being that it is as yet too early to make a definite judgment on Moscow's intentions.

The Ministers agreed new secret guidelines for the forthcoming UN debate on the Middle East, but officials said the other countries have not accepted France's request that the Community explicitly recognise the right of the Palestinians to an independent state. The meeting issued communiques deploring the fighting in both the Lebanon and Angola, and agreed that Italy, as Council President, should take soundings with the UN to see if the Community could play any useful role in bringing peace to Beirut.

LUGANO BANK HEARING

Suspended sentences passed

BY NORRIS WILLATT

LUGANO, Oct. 30.

THE FORMER manager and former foreign exchange dealer of the Lugano branch of Lloyds Bank International were convicted in the Lugano Criminal Court yesterday of continued disloyal administration in carrying out their duties at the branch.

Both were also found guilty of violating Swiss banking law and the dealer also of falsifying documents.

The latter, Sig. Marc Colombo, 29, received an 18-month suspended sentence. The manager, Sig. Egidio Mombelli, 41, received a suspended sentence of six months.

Each was also fined 2,000 Swiss francs (£365) and ordered to pay the costs of the proceedings.

In pronouncing sentence, the presiding Judge, Dr. Gastone Luvini, said that on his own confession, Sig. Colombo had speculated madly in an effort to recover an initial loss on foreign exchange dealings sustained early in 1974 of Sw.Frs.7m. and had continued with these "absolutely unreasonable" tactics until the loss had mounted to Sw.Frs 222m. (£33m.) when, on August 4, 1974, Lloyds London headquarters, on a tip-off from Credit Lyonnais, had become aware of the situation and suspended him from his duties.

He had also intentionally included false information in reports to the Swiss National Bank in an effort to conceal his irregularities. But taking into account that he was young and had confessed, the court had decided to impose a lesser sentence than that sought by the public prosecutor.

Of Sig. Mombelli, for whom the prosecution had sought a 10-month suspended sentence, the judge said he had given the court a "disastrous" impression as a bank manager; of a man who was not qualified to be a manager either in attributes or mentality.

The court considered that he had shown a stupid trust in his foreign exchange dealer, but that did not absolve him from failure to do what he was supposed to do as manager of the branch in supervising Sig. Colombo's activities as laid down in the rules and by precise instructions on various occasions.

He was responsible for not seeing the hole opening before his subordinate. All this was enough to convict him of the offence of disloyal administration. He had also violated the Swiss banking laws by failing to keep records which they specified.

The judge stressed the importance of the banking business to the economy of Switzerland and to the national welfare. The canton Ticino, he claimed, was one of the areas in the country where the authorities paid the greatest attention to the banks, even if sometimes the banks did not like it.

The two convicted employees of Lloyds Bank International were among the first of their colleagues ever to be brought to trial in Switzerland. Elsewhere, people involved in similar situations had been allowed to resign or had been dismissed.

Lawyers for the defence sought to implicate Lloyds Bank International in the responsibility for the loss by its Lugano branch when they made their final pleas at the trial.

Sig. Colombo admitted the charge of falsifying documents, but Sig. Bonetti, claimed that his client acted not for personal gain but to save his job and made full confession to the authorities, taking entire responsibility.

The lawyer asked the court to "set free this young man so that he can remake his life."

Sig. Mombelli's lawyer, Sig. Gabriello Patocchi, who called for his client's acquittal, wanted to know why, in view of all the documents passing among his superiors in Zurich and London headquarters, the personal contacts and inspections, Sig. Mombelli was supposed to have been the only one to receive the illumination that something was wrong.

He said that every three months detailed reports were sent to both Zurich and London and that audits were carried out. If the auditors had detected any irregularities it was their duty to advise London and for Lloyds to put them right; and if this was not done within a given period of time, the matter would have to be reported to the Swiss banking authorities. Neither step was ever taken.

The lawyer claimed that in so far as Sig. Mombelli knew, the books were being kept correctly because he was not aware of the irregularities. "Violations begin when you try to hide something and Sig. Mombelli never tried to hide anything. If he *did* contribute to hiding anything, it was unknowingly and unintentionally."

In a final statement for Lloyds Bank, their lawyer, Dr. Dario Clericetti, referred to Sig. Colombo's repeated claim that if he had been allowed to stay in his post he would have been able to turn the £33m. loss into a profit.

"To have let him do so would have been an invitation to him to continue his speculative activity and the bank never wanted to speculate," said the lawyer.

Sig. Mombelli had claimed that he could not discover the irregularities of Sig. Colombo because he was too busy to give the proper supervision and that he had asked for the bank to appoint someone to be responsible for administration. Nobody had forbidden him to hire an administrative assistant, Dr. Clericetti said.

EEC turns down plea on steel levy

By David Curry

BRUSSELS, Oct. 30.

THE BRUSSELS COMMISSION has turned down the request of EEC steelmakers for a six-month suspension of the levy they pay to the European Coal and Steel Community. Instead, it has resolved to maintain the 1976 levy at the present rate of 0.29 per cent. of the value of steel produced.

At the same time, the Commission appears to have given a very luke-warm reception to proposals to give special financial aid to steelworkers suffering from reduced earnings through redundancy or short-time working.

It is understood that it is extremely reluctant to seek council approval for expenditure which is not envisaged in the ECSC Treaty and would entail substantial budgetary changes for next year.

Disappoint

The levy decision, which will be explained to the club of EEC steelmakers by Sig. Altiero Spinelli, the Industry Commissioner, will disappoint, but probably not surprise, the industry. The main argument against a suspension was that it would impair the Coal and Steel Community's international fund-raising activities if the community no longer had the solid resource of the levy contribution behind it.

It would also have upset the budget to have agreed to suspend the levy, while to embark on a programme of social aid would almost certainly require increasing the levy from the 1976 proposed rate.

Meanwhile, the industry remains convinced that the Commission's decision last week to seek an international agreement on export restraint through the OECD rather than impose minimum prices and import controls will be ineffective.

Willingness

It does not believe that an international self-disciplining arrangement, which will involve long negotiations, will be effective in the face of the cut-throat competition in the market, the fears that steel merchants are preparing to off-load stocks at very low prices and the cheap imports from eastern Europe and Spain.

ECSC discussions with the Japanese have, however, produced some indications of Japanese willingness to agree to some form of orderly marketing.

The Commission has repeated its view that it does not think the situation as yet requires the imposition of protectionist measures of intervention and the OECD approach is the best line of attack for a world-wide problem.

The ECSC budget, unveiled yesterday after Commission scrutiny, provides for modest expenditure increased in 1976.

Research will take 7m. units of account more at 42m. units and loan rebates will rise slightly to 15m. units from 13m. units. Retraining will be 1m. units down at 25m. while administration (18m.) and aid for the coal and coke sector at 6m., will remain. To this must be added 12.5m units of account, not included in the budget, for housing aid.

WEST GERMAN SALES OFFICE

British Physical Laboratories, a member of the Racal Electronics group, has established a marketing department in West Germany to meet the growing demand there for its high quality moving coil panel meters.

TURKEY AFTER THE ELECTION

Demirel's survival kit

BY METIN MUNIR, ANKARA CORRESPONDENT

SUPPORTERS call Mr. Suleyman Demirel, the Turkish Prime Minister, "Suleyman the magnificent" after the most famous of the Ottoman Sultans, a contemporary of Columbus and Queen Elizabeth I. He ruled the empire for 46 years when it was at its wealthiest and most secure.

"Suleyman the Survivor" would be a more appropriate title. In the 10 years after first becoming Prime Minister in 1965 after leading his pro-private enterprise Justice Party (JP) to an overwhelming victory at the polls, Mr. Demirel has demonstrated an unusual resilience. He outlived a major splintering of his party, a corrosive campaign against his integrity, a coup and a disastrous rout at the 1973 general election. Two years later he was back in office.

Ailing party

Mr. Demirel shows all of his 51 years, unlike his main adversary, Mr. Bulent Ecevit, who, at 50, looks ten years younger. Mr. Demirel returned to power six months ago at the head of a four-party right-wing coalition. Last month he made remarkable gains at the mid-term Senate elections, refurbishing his image and reinforcing his ailing party. His electoral support grew by about 12 percentage points from the low of 29 per cent. two years ago. "At the next general election the JP will come to power alone," he predicted confidently, looking happier and more relaxed than he had done for years. "Mark my words and underline them."

He may be right. But for the moment Mr. Demirel faces a new crisis which will be a new test for his political survival kit. The crisis this time comes from within his coalition. It was created by Mr. Necmettin Erbakan, the 48-year-old Deputy Prime Minister, whose pro-Islamic National Salvation Party (NSP) is the biggest of Mr. Demirel's three coalition partners. Mr. Erbakan, a voluble traditionalist, did badly in last month's elections, like all the smaller parties.

In order to make up for this loss he put numerous conditions to Mr. Demirel to increase his share of the spoils of power. He demanded a tough line in foreign policy—no territorial concessions in Cyprus, severing ties with Israel, permitting the Palestine Liberation Organisation to open a bureau in Ankara, and "promoting relations with Islamic countries from talks to deeds." On the home front he wanted a policy which would put more pro-Islamic civil servants into senior positions and a more Islamic-slanted education policy. He wanted more religious schools and better prospects for graduates of Islamic colleges. Mr. Erbakan also asked for industrial investments to be made in those provinces where he has hopes of increasing his support.

There has been no official reaction from the Demirel front, though a newspaper quoted the Prime Minister as saying that Mr. Erbakan's demands "are the most ridiculous I have heard so far." No paper, however, reported that he was laughing.

If Mr. Demirel accepts his partner's demands he will be in trouble, both at home and abroad. To refuse concessions in Cyprus will court a reinstatement of the U.S. arms embargo which was lifted earlier this month. It will also cause added international pressure on Ankara. Yet concessions in Cyprus will break up the coalition. Mr. Erbakan's domestic demands place Mr. Demirel in a similar dilemma.

These conflicts may break up the coalition if Mr. Demirel comes up with a flat refusal. It is likelier, however, that he will wish to bargain with his partner. He has a major trump card, the threat of early elections. The Prime Minister knows that Mr. Erbakan will be better off in the coalition, sharing the spoils of power, rather than facing an early election which he is bound to lose. Mr. Demirel, too, is better off in power, at least for the time being.

The last two years following the 1973 general election have been favourable to him. He had lost badly, his electoral support declining by 36 per cent. to under 30. The splintering of the right-wing and profusion of small parties deprived him of his support. Mr. Demirel followed a policy of divide and swallow and has been quite successful as his gains of last month show.

Mr. Suleyman Demirel: the magnificent survivor

He splintered and partly annexed the Democratic Party which was the fourth biggest in Parliament. The Republican Reliance Party, another right-wing and coalition partner, surrendered without struggling. Very soon it is expected to unite with the JP. The NSP, discredited by its leader's volubility, lost votes to the JP. Mr. Demirel knows that if he remains in power this trend will continue to develop in his favour and give him a sporting chance of coming to power alone after the next general elections. But Mr. Erbakan knows it too, and it is on his co-operation that Mr. Demirel's tenure in power will depend.

It is likely that the coalition partners will try to reach some sort of a compromise and struggle on until 1977 when the next general election is scheduled. But theirs will be a weak administration, inefficient in its dealings with pressing international and economic problems. To cite only some of them: unemployment has gone beyond the 2m. ex[illegible] are declining, and the t[illegible] deficit is at a record level.

Abroad, the Cyprus proble[m is] the most pressing issue, ac[com]panied by the continuing ebb in relations with the [U.S.] and Greece. The last two p[rob]lems have reached the neg[otiat]ing stage, but Cyprus, with the potential dangers it cont[ains,] is still untouched. With Erbakan wishing to maintai[n] hawkish views on Cyprus a[s an] electoral trump card it is dif[ficult] to see how any progress ca[n be] made.

The overriding concern of coalition parties is to incr[ease] their electoral support. [illegible] will find it well-nigh impos[sible] to make the unpopular decis[ions] which are required for a solu[tion].

The man standing to [gain] most from this ineffec[tive] administration is Mr. Ec[evit,] chairman of the main Opposi[tion] the Republican People's P[arty] (RPP). The RPP, alr[eady] Turkey's biggest party, incre[ased] its electoral support fro[m a] national average of 33.3 per c[ent.] in 1973 to nearly 44 per cen[t. in] the mid-term elections. [This] remarkable upsurge is ma[inly] due to Mr. Ecevit's pers[onal] popularity, which was enha[nced] by the Cyprus war of last y[ear] when he was Prime Minister, fed by his integrity, modest style and charisma.

The solution

Mr. Ecevit has stopped clamour for an early elec[tion] and announced that he woul[d be] helpful to the Government [in] the solution of the Cyprus p[rob]lem. That indicates that he tends to give enough rope [to] the coalition to hang itself in this case hang each othe[r].

In an interview Mr. Ece[vit,] like Mr. Demirel, expressed [con]fidence that he would win [an] overall majority at the [next] general election. He is hop[ing] that the coalition will floun[der.] It is quite likely that at [the] next general elections there [will] be an end to splintering, wh[ich] has been the major cause [of] the repeated political crises [in] Turkey, and that there will b[e a] firm choice between Mr. Ecev[it's] social democratic RPP and Demirel's right-wing JP.

Lisbon arms depot men on full alert

BY JANE BERGEROL

LISBON, Oct. 30

SOLDIERS guarding the main Lisbon military arms depot put themselves on full alert to-day and barred the depot gates in the face of growing apprehension of possible terrorism and coup tactics ahead of November 11, the date for Angolan independence.

Army Chief of Staff, General Carlos Fabiao, a controversial figure since he gave way to Oporto rebel soldiers earlier this month, arrived back from a visit to West Germany this evening and went straight to deal with the new problem. Copcon security forces said in a communique that counter-revolutionary actions were spreading through the country.

Portugal is growing increasingly apprehensive about the chances of more bomb explosions, isolated sabotage and terrorism, and even coup attempts, from the extreme Right as the date for Angola's independence approaches. The clear evidence that White Portuguese officers are serving with the Angolan liberation armies that are proving tough adversaries for the Socialist Popular Movement for the Liberation of Angola (MPLA), is reinforcing the Left's fears of Spinolist involvement in Angola, and a consequent attempt to cause further chaos inside Portugal by members of the Spinolist Democratic Movement for the Liberation of Portugal, the clandestine organisation that has showed itself in public only in Brazil, France and Spain.

Air Force troops are engaged in intense training exercises and some small aircraft are being rearmed to enable the Air Force to act decisively against any coup attempt by Left or Right. But these activities were used yesterday by the Communist-dominated morning newspapers to warn the nation that the Air Force was actually arming itself for a coup. This was denied by the Air Force Chief of Staff, General Morais da Silva, who reaffirmed his loyalty to the sixth provisional Government, while to-day a leading Revolutionary Council moderate, Air Force Captain Canto e Castro, classified the newspaper reports as "pure invention."

At the formally Communist-dominated morning paper O Seculo workers were negotiating for a second day for a settlement that would force the Communist workers to accept a majority vote of workers and change the paper's editorial board and policy.

The paper was not published this morning after all-night debates failed to produce a compromise. In spite of heated argument there has been no hint of violence or strong-arm tactics. And the Maoist-Socialist majority is still confident it will be able to find a solution enabling the Communist minority to stay on.

W. Germany optimistic on Icelandic fish talks

BONN, Oct. 30

THE WEST German government said to-day it was optimistic about an early end to its fishing dispute with Iceland.

After two days of talks in Reykjavik, Herr Hans-Juergen Wischnewski, Minister of State in the Foreign Office, told reporters here to-day the discussions would be continued next month.

The Iceland Cabinet had already approved the tentative results of the latest talks, he said. The Minister of State said there was "a good chance" that an agreement would soon be reached to define the size of German catches within Iceland's unilaterally-declared 200-mile fishing limits.

Government sources here said the West Germans had made a number of concessions in proposals put to the Reykja[vik] government.

Herr Wischnewski said [W.] Germany had agreed to [stop] using factory freezer sh[ips] within Iceland's fishing lim[its]. This had been a major stumbli[ng] block in past negotiations.

West Germany would [not] officially recognise Iceland's n[ew] 200-mile fishing limits before t[he] matter was discussed at the ne[xt] UN Law of the Sea Conferen[ce,] the sources said.

But the projected agreeme[nt] would accept the 200-mile lin[e] in practice as a protect[ed] Icelandic zone, they added.

The Icelandic Forei[gn] Minister, Mr. Einar Agustss[on] to-day cautioned Britain not [to] start another "cod war."

Major Albania reshuffle

BY PAUL LENDVAI

VIENNA, Oct. 30.

THE SECOND major reshuffle within a year of the Albanian party and government leadership took place recently involving four members of the ruling Politburo and three cabinet Ministers. Albanian sources here however cautioned that in contrast to rumours from Belgrade the personnel changes have been due to economic policy disputes and differences between generations rather than to Chinese-Albanian tensions. The Albanian Press last week carried front page reports on the opening of the first stage of a major steel plant with photos of the Chinese experts who assisted in the construction. The party leader Mr. Enver Hoxha, 66, who has ruled the small area of the country with a population of 2.4m. since World War II is said to have recovered from an illness and received last week a visiting Chinese group of artists. Albanian sources doubt the accuracy of obviously Soviet-inspired rumour about the Tirana-Peking rift.

The central party paper, Zeri i Popullit, to-day carried a long leading article commenting on the just published 19th volume of the collected works of Mr. Hoxha, meaningfully adding that his warnings issued in 1960 against "bourgeois deviations" and Soviet revisionism in ideology and in production and distribution policies are as topical as ever.

The reshuffle has never been officially announced and it is only through the Press references to the new man that the purge of Deputy Prime Minister and planning chief Mr. Abdyl Kaellezi, 56, and Minister of Industry Mr. Koco Theodosi, 62, both Politburo members and trained respectively in Italy and France before World War II, has now indirectly been confirmed. The Minister of Commerce, his deputy as well as scores of district party secretaries have also been replaced since last June when the Albanian Press launched a campaign against "bureaucrats" and "technocrats," "intellectualism" and "formalism." On the basis of Press reports four newcomers to the ruling Politburo of the party can be identified. Mr. Pali Miska became the new Minister of Industry and was promoted to full Politburo membership together with Mr. Hekuran Isai. Both men entered the central committee only as candidate members at the last Congress in 1971 and were now promoted over the heads of more senior functionaries to the top leadership. One of the apparently most powerful new leaders is Mr Lambi Gegprifti who became candidate member of the Politburo and Deputy Minister of Defence. Another newcomer is Mr. Uuirjako Nihali as Politburo candidate member.

Yugoslavia plans trials

BY PAUL LENDVAI

VIENNA, Oct. 30.

A SERIES of trials of allegedly pro-Soviet Stalinist groups will soon begin in Yugoslavia, Mr. Ivan Pervan, the deputy Minister of Interior of Croatia, said yesterday. He also revealed that a group financed from abroad, which had allegedly planned attempts on the life of the "highest personalities," had been smashed.

This is evidently a reference to an abortive attempt on the life of Marshal Tito in mid-September in Zagreb. One week later it was confirmed that a bomb consisting of foreign-made components had exploded in the city. The director of Vjesnik, the publishing house in Zagreb, revealed that three journalists on the staff of his paper, and until recently party members, had also been arrested.

Yugoslav leaders during the past weeks have made a series of dramatic statements warning that several pro-Soviet illegal organisations, all allegedly wanting Yugoslavia to join the Soviet bloc, had been discovered. Though none of the speeches and articles included any direct reference to the Soviet Union the term "Cominformist" or "neo-Cominformist" refers to those pro-Soviet Stalinists who in 1948 supported Cominform, the Soviet-dominated Communist information bureau that on Stalin's orders expelled Yugoslavia from the Soviet camp.

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Shareholder group to fight Felixstowe take-over

BY ARTHUR SMITH IN FELIXSTOWE

STRONG OPPOSITION to the proposed take-over of Felixstowe docks by the State-owned British Transport Docks Board was expressed at the annual meeting of the company here yesterday.

Several shareholders are to try to organise a revolt against the decision and it is hoped to mobilise opposition before the extraordinary general meeting in London on November 21 when shareholders will vote on the move.

Yesterday, Mr. Gordon Parker, 84, the chairman of Felixstowe docks, who created the successful private enterprise port, constantly rebutted questions from disgruntled shareholders at the crowded annual general meeting.

The price of £5.25m. was not what he would have wanted and it gave him "a great deal of sorrow" to hand over his "favourite child" to the BTDB, Mr. Parker said.

But in the circumstances, the offer, at 150p a share, was "reasonable." Indeed, for a take-over bid, the assurances given by the BTDB about the future development of Felixstowe are so good as to be almost without precedent, according to Mr. Kenneth Thoroughgood, the Felixstowe deputy chairman.

A copy of the draft Bill to give the BTDB powers to make the acquisition is contained in a letter from Felixstowe directors to be sent to shareholders recommending acceptance.

The proposed legislation guarantees that the BTDB will not direct traffic from the port and will try to protect and improve employment prospects.

Mr. Parker told shareholders yesterday that the very threat of nationalisation and the uncertainty created had forced the share price down to 45p before the offer.

Moreover, impending nationalisation made it difficult for the company to raise the new capital essential for its future development.

"Negotiations have been going on with the British Transport Docks Board and in the opinion of your Board and me personally it is considered that in the circumstances the sale would be desirable," Mr. Parker added.

"I believe that an association with the British Transport Docks Board will be beneficial. After almost entirely building this company, it is with great sorrow that I recommend handing over to a foster parent after 25 years, but I have you and the workers to consider.

Assuming the deal goes through, Mr. Parker and all non-executive directors will resign from the time the BTBD gets the Royal Assent for its legislation next August.

Arts facing crisis over grants

BY MICHAEL THOMPSON-NOEL

AN IMPASSIONED call for greater Government support of the arts was made yesterday by Mr. Roy Shaw, the Arts Council's secretary-general. He said the inadequacy of the grant and Government delays in notifying its scale were gravely hampering the council's work and endangering the existence of the 900 subsidised arts organisations it supports.

Yesterday's appeal from the Arts Council was prompted by the fact that it will not be told the size of its 1976-77 grant until January, which will enormously complicate its financial planning.

Mr. Shaw's statement spoke of the profound difficulties facing the national arts companies, the devastation in the regional theatre, the virtual abandonment of a new award scheme for individual artists and serious cuts in the work of the council's music and literature panels.

The council's current grant, which has been eroded by inflation, is £26.15m —22.5 per cent. more than the £21.3m. it received in 1974-75

Mr. Shaw absolved Mr. Hugh Jenkins, the Arts Minister, of blame. "We know that he has worked hard to secure increased funds for the arts and was particularly helpful in persuading the Treasury to provide money to enable the National Theatre to open."

But he added. "We feel that the Government as a whole and the nation as a whole do not realise the seriousness of the situation facing the arts"

In a catalogue of the arts' plight, Mr. Shaw said:

● There was a serious danger that the Old Vic may have to close indefinitely when the National Theatre leaves it, because there was no money.

● The forecast deficit at the Royal Opera House, Covent Garden, was £300,000 after all conceivable cuts had been made. The existence of the Royal Ballet's touring group was under threat.

○ The Royal Shakespeare Company's expected £200,000 deficit could mean abandoning its work at the Aldwych Theatre, London, next year.

○ The English National Opera had a forecast deficit of £260,000 after all cuts, the City of Birmingham Symphony Orchestra expected a loss of £35,000 and the Hallé one of £59,000. All other orchestras were in difficulty.

○ Mr. Alan Bowness, council member and art historian, had warned that "the continued existence of a body of painters and artists in this country is in danger."

○ All 100 regional drama companies supported by the council were in trouble. At Leicester the acting company had been nearly halved; at Crewe the number of weeks played had been slashed from 30 to 21.

○ Community theatre groups would soon cease functioning, or continue past January on the totally unacceptable basis of reduced or non-existent wages.

● The council's music panel had had to cut commissions of new works and the literature panel had cut awards to writers.

On the need for prompter Government notification of the arts grant, Mr. Shaw said theatres and orchestras needed to plan well in advance.

Leonard Burt

Norway's Minister of Commerce and Shipping, Mr. Einar Magnussen (right), with Mr. Halfdan Ditlev-Simonsen, president of the Norwegian shipowners' association, at yesterday's meeting with bankers in London.

Minister questioned on ship guarantees

BY MARGARET REID

BANKERS questioned Mr. Einar Magnussen, Norway's Commerce and Shipping Minister, in London yesterday about the adequacy of the Kr.2bn. (£177m.) State backing planned for proposed new loan guarantees to the problem-vexed Norwegian shipping industry.

He was explaining the working of the new Guarantee Institute to a meeting of 100 representatives of some 50 British, American and Continental banks.

Banks throughout the world have large lendings outstanding to the Norwegian shipping industry, which has been hard hit by the slump in the market for tankers and oil rigs.

It was estimated at the meeting that there are loans of some Kr.22bn. (£1.9bn.) outstanding on existing Norwegian vessels and rigs, while a similar amount of finance is committed for new building.

Mr. Magnussen told the Financial Times after the meeting: "Certainly, some doubts were expressed as to whether the guarantee limit was adequate. We are moving into a new area; we will start out with Kr.2bn. and we may never go any further."

The Guarantee Institute to be set up, when proposals are through the Norwegian Parliament, will be able, in suitable cases, to guarantee interest on loans now outstanding.

Appropriate

It will also have power, where appropriate, to guarantee loans for the laying-up of surplus ships and drilling rigs and, in selected cases, the principal of loans on ships if they are sold from one owner to another.

Participants, who have to join the arrangement by the end of this year, will have to put up certain contributions to the scheme.

Of the plan generally and the adequacy of the supporting Norwegian Government guarantees, Mr. Magnussen remarked: "This isn't going to do anything on the principal of loans already taken up. We are not going to bail out banks in that way."

The principal aim, he said, was "to make it possible for owners to retain and receive ships, and wait for some time until business conditions improve. Keeping the most modern and efficient ships in our fleets and under our flag."

Earlier, he had told the assembled bankers that Norway wanted to look after her real assets and was anxious to prevent selling-off of vessels abroad at "bargain prices."

Ryder call for more company accountability

By Peter Foster

A CALL for greater accountability by companies to their shareholders came yesterday from Lord Ryder, chairman-designate of the National Enterprise Board.

Speaking in London, Lord Ryder — although he emphasised that the major priority for any company had to be "to work out a constructive relationship with its employees" — also stressed: "I am convinced that we have to make accountability to shareholders much more real than in the past."

He noted that since neither individual nor institutional shareholders normally "intervened positively" in company affairs, accountability to such groups had in many cases become more theoretical than real.

Turning the company/employee relationships, Lord Ryder said that, in his view, the key to success was the "provision of proper information."

He said: "Employees and prospective employees need information to assess the security and prospects of employment. They need information for collective bargaining purposes, too. But most of all they need information so that they can contribute constructively to the company's objectives."

Coal Board loses EEC court case

BY DAVID CURRY BRUSSELS, Oct. 30

THE NATIONAL Coal Board has been ordered by the Brussels Commission to reduce the prices for coking coal it charges to Britain's largest private sector coke producer.

The order follows an instruction from the European Court of Justice for the Commission to take steps to protect the operations of the National Carbonising Company while the court adjudicated an appeal from NCC against a previous Commission finding that the National Coal Board's pricing policies were not in violation of anti-trust law.

National Carbonising produces industrial and domestic coke from two plants at Barnsley and Rotherham which, it says, are jeopardised by its inability to operate the coke business at a profit because of NCB policies. The company is best known for Rexco smokeless fuel business which last year produced a turnover of £15.3m. out of a total of £39.8m. and for £1.9m. of £2.1m. trading profits.

The order is for the NCB to reduce by £2.79 a tonne the price of its coal supplied to NCC for 12 weeks from October 22. However, NCC must put up cast-iron guarantees to enable the NCB to be compensated for its price cut in the event of the NCC appeal failing.

The issue goes back to July when the National Carbonising Company wrote to the Commissioner complaining of NCB practices in the coke market. It said that it could not survive both the high prices it had to pay for coking coal and the low prices it had to charge for its coke products.

It could not increase the charges because it had to mat[ch] those of the NCB's subsidia[ry] National Smokeless Fuels, whi[ch] dominated the market with ... per cent. of the domestic ha[rd] coke market. NCC claimed th[at] the NCB pricing policies were ... abuse of its dominant mar[ket] position—one of the cardi[nal] sins of the EEC's anti-trust co[de].

The situation was made wo[rse] when, on October 1, the NCB [in]creased its prices for coking c[oal] by £2.30 a tonne but lifted [its] prices for coke by only £1.40 [a] tonne. At the Commissio[n's] request, the coal price increa[se] was held back until October ... The following day, the Commis[]sion announced that it h[ad] rejected NCC's case against t[he] nationalised industry.

NCC thereupon appealed to t[he] Court of Justice against the Co[m]mission's decision and asked ... an interim order reducing t[he] price of coal so that it could c[on]tinue operations while the app[eal] proceeded. At the hearing t[he] Commission said that the N[CB] might be guilty of a "sm[all] abuse" of dominant mar[ket] position.

Threatened

The National Coal Boa[rd] apparently offered in Septem[ber] to take over one or both of t[he] threatened NCC plants and a[lso] arranged for the British St[eel] Corporation to take its industr[ial] hard coke from NCC for o[ne] month instead of from the St[ate] concern. The NCB told the cou[rt] last week that this aid had cost just under £½m. a week.

Doctors warned on drug prescriptions

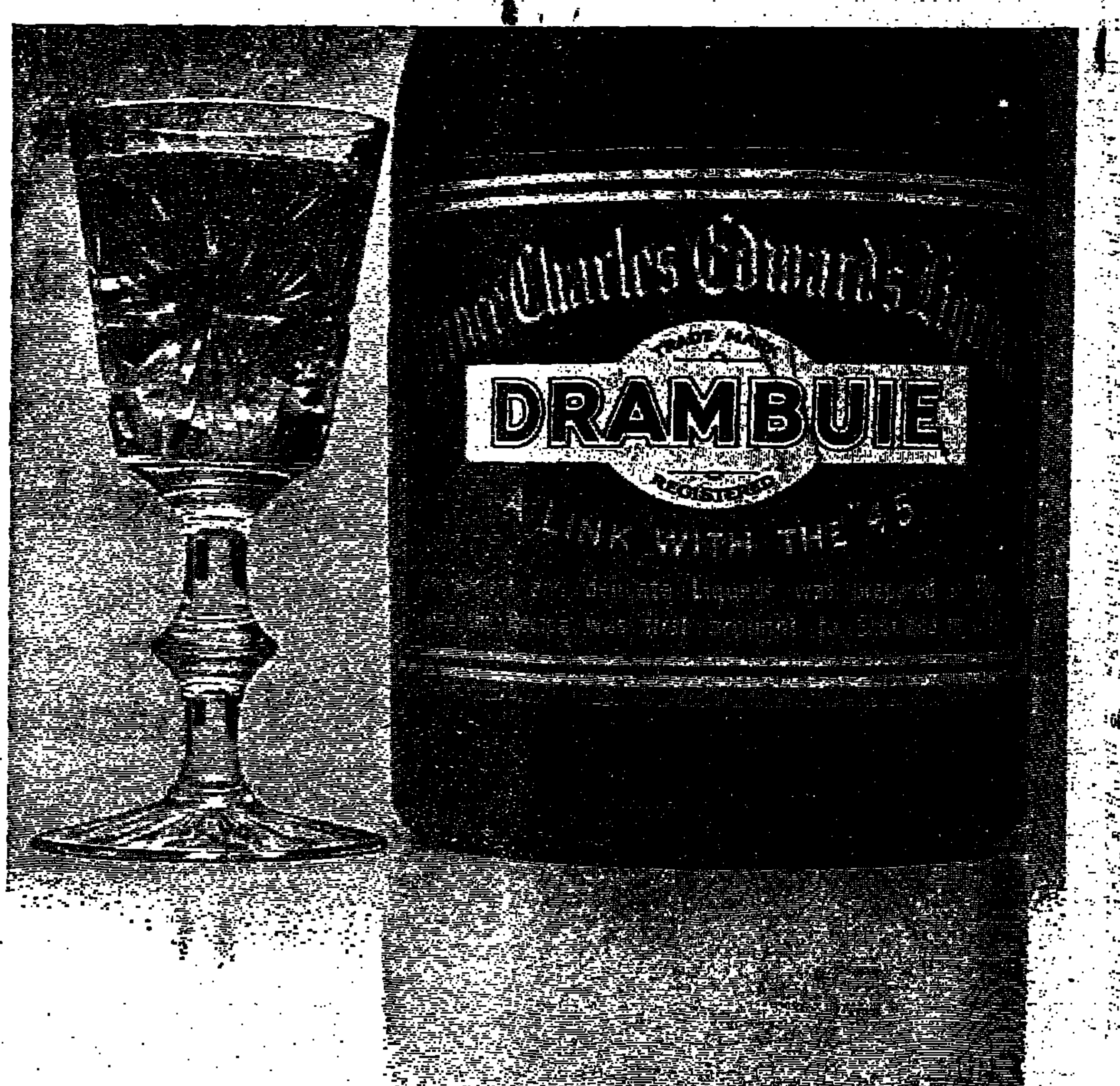
BY RAY DAFTER

DOCTORS are being urged by Government to be more prudent when prescribing drugs.

Dr. David Owen, Minister of State for Health, said yesterday that if doctors exercised their clinical freedom by sensibly prescribing drugs, they could release much-needed resources for expansion within the National Health Service.

He told the Royal Society of Health that in 1972 in England over 45m. prescriptions (nearly 18 per cent. of the total) were written for barbiturate hypnotics, other hypnotics, tranquillisers, anti-depressants and other stimulants at a cost of near[ly] £24m. The cost was over 15 p[er] cent. of the total spent o[n] prescribed drugs. Similar figur[es] were recorded for 1973 and 19[74] and the overall trend for th[is] group of pharmaceuticals co[n]tinued upwards.

"In prescribing them heavily do we really know wh[at] we are about?" he aske[d]. "Experience with the psych[o]tropic group of drugs showe[d] that however beneficial or har[m]less they may seem when fir[st] they come into general use, [in] time a darker picture begins [to] emerge."



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Labour decision to retain mortgage tax relief

BY MICHAEL CASSELL

PROPOSALS for a five-year programme to phase out tax relief on mortgages have been rejected by a Transport House committee which is preparing evidence for the Government's current review of housing finance policies.

A Labour Party housing sub-committee heard earlier this week of the plans, which envisaged pushing the estimated £500m. saved by the Exchequer under such a scheme directly into the house building market.

Mr. Anthony Crosland, Secretary for the Environment, whose Department is conducting the housing finance review, and two other DoE Ministers, are serving on the sub-committee. After hearing of the proposals, the committee has asked Transport House research staff to rewrite their paper more in line with existing Labour policy on the question of mortgage tax relief.

Shortly before the last General Election, Mr. Crosland made that policy clear when he pledged that mortgage payers with higher incomes would face reductions *in relief because the existing* system came down heavily in their favour.

Exactly how the proposals would work has never been spelled out although it is known that the basic idea is to limit relief to the level which is now applicable to the standard-rate taxpayer.

Another major point to be resolved is whether the proposals would involve only those mortgages taken out after the necessary legislation was introduced or whether existing loans would be involved, thereby forcing reductions in relief on those present borrowers in higher income brackets.

No timing for the introduction of such a scheme has ever been given, although earlier this year, when Mr. Crosland was announcing a package to boost housing output, he suggested the plan was being held back so that it should not hinder a recovery in the private housing *market.*

This week's rejection of a proposal for completely doing away with mortgage tax relief reflects the fears of Ministers and some senior Labour Party officials about the likely repercussions for home owners and the future housing programme, and, subsequently, the possible political damage which could follow. The beneficial effects on the overall housing scene are also regarded as dubious.

Ever since Labour Government Ministers started talking about possible radical changes in mortgage tax relief, as part of the proposed overhaul of housing finance, the subject has been surrounded with an uncertainty which has clearly not helped another major Government priority—the return of confidence to the private house builder. This week's decision might at last, help to clear the air.

Moderates told: 'fight back'

BY RICHARD EVANS, LOBBY CORRESPONDENT

MR. ROY HATTERSLEY, one of Labour's leading younger politicians, will to-night join the battle for future control of the Labour Party by urging all moderates to fight harder for their beliefs.

In a speech which stakes a claim for the long-term leadership of Labour's moderate wing, Mr. Hattersley attacks the underlying beliefs of the Left, particularly on nationalisation and workers' control.

He calls on party moderates to drop the pejorative title "Right wing" but instead to call themselves radical socialists and to pursue policies of greater social equality similar to the social democrats of Sweden.

"All too often within the party we have *lost* the arguments," he tells Fabians in Cardiff to-night. "We have failed to wi nthe battle within the constituencies because we have not even chosen to fight.

"In the certainty that our ideas represented the views of the Labour Party voter we have done too little to propagate our principles among party activists. Proper respect for our colleagues within the Labour movement, as well as for our own conditions, requires us to play a more active role within the party itself."

Mr. Hattersley, Minister of State at the Foreign Office, a leading pro-Marketeer, and one of the most ambitious younger Ministers, goes on to warn against an obsessive attachment to public ownership which for a section of the Labour Party has become the "single ark of the Socialist covenant."

In his view, the way forward for radical socialists should be to take small steps which alleviated poverty, ended deprivation and promoted equality. In the past, economic misjudgment had been deeply damaging to Labour, which should keep public ownership in its proper perspective.

Instead of a Labour Government spending limited public funds on "ideological projects," Mr. Hattersley advocates the concentration of public money on areas of greatest social deprivation such as old city centres, with slum housing.

He dismisses the Left-wing's view of public ownership as the only salvation for society. Instead, he wants the Labour Party to capture the mood of moderation which was followed in the Common Market referendum.

BOC plans £15m. Teesside expansion

BY RAY DAFTER

BOC International, which has won a record £50m. order from the British Steel Corporation, is to spend £15m. on a new air separation plant at Middlesbrough.

The new plant, which will increase capacity at Middlesbrough by 54 per cent., is due on stream in spring 1978. It will supply oxygen and nitrogen to the BSC for steel-making processes.

The contract—the biggest single order won by BOC—will run for at least 15 years from October 1977. Some 1,200 tonnes of oxygen and 500 tonnes of nitrogen a day will be fed to the BSC plants at Redcar and Lackenby, Yorkshire.

At Redcar, part of BSC's phase 2B development, the oxygen will be used in blast furnaces. At Lackenby gases will be used in the basic oxygen steel making process.

BOC's gases division last year had a turnover of about £85.3m., making it the largest trading arm of the group's U.K. operations.

The company's site at Middlesbrough is already the biggest industrial gas producing site in the U.K. with an output of 5,000 tonnes of oxygen and nitrogen a day. The BSC contract will be met initially from existing facilities.

However, to meet the increased demand BOC has ordered the further air separation plant from Cryoplants.

The new plant will have a capacity of more than 2,700 tonnes of oxygen and nitrogen a day.

Varley confirms take-over

THE Government is to go ahead with its plans to nationalise the ship repairing industry.

The Department of Industry yesterday released a letter from Industry Secretary Mr. Eric Varley to Mr. C. H. Baylis, director of the Shipbuilders and Repairers National Association, confirming the Government decision.

Mr. Baylis had asked Mr. Varley not to take the industry under public ownership as part of the Aircraft and Shipbuilding Industries' Bill. "I can now confirm that the Bill, which will be reintroduced next session, will be unchanged on this point," Mr. Varley wrote.

The SRNA pointed out to Mr. Varley that the ship repairing industry was independent of shipbuilding. Prices were still competitive and shipowners regarded services as satisfactory, it added.

The industry had not received public money to keep it going and relied on profits to finance major developments. But companies would be able to secure finance if the nationalisation threat was lifted.

The SRNA claimed no case for compulsory nationalisation had ever been made.

Ulster fears new round of IRA reprisal killings

BY GILES MERRITT

IN CONTRAST to the outbreak of feuding between Ulster's rival *Republican factions, in which* Provisional IRA gangs on Wednesday night killed one and wounded 16, the province's constitutional Convention yesterday calmly pushed ahead with the final stages of its report on devolved Government to the Westminster Parliament.

But there are fears that the attacks caried out by the Provisionals against members of the Official IRA's political arm, the Republican Clubs, could unleash a fresh round of reprisal killings and a return to the interecine warring between the two rival blocs in the Republican movement of earlier this year.

Wednesday's raids, by as many as 20 Provisional squads numbering around 100 gunmen in all, according to RUC estimates, erupted across the province with military precision in the short space of two and a-half hours. Yesterday, in anticipation of a second round of violence, a number of Provisional IRA sympathisers and their families reportely left their homes, while the Republican Clubs suspended all meetings until further notice.

The feuding apparently is not the result of political and ideological differences between the two factions. It arises from disputes over the control of drinking clubs and areas of influence in Catholic neighbourhoods. A Stormont Castle spokesman described the violence as "gangland killings."

Parallel to the tense situation inside the Republican movement, *the Convention yesterday* examined the final points contained in the United Ulster Unionist Coalition's draft report, which in just a week's time will be voted through the 78-seat Assembly by the Loyalist UUUC majority to become the Convention report.

Yesterday was the second of a two-day debate and it is likely that the Convention will sit again on Tuesday

Predictable

With the outcome of the Convention's rst phase a foregone conclusion, the proceedings at Stormont now have a predictable and mechanical quality. Ulster politicians' thoughts are turning to the net phase of the Assembly, when Westminster in effect rejects the UUUC report and returns it to Stormont for "clarification," in the hope that some compromise formula for power-sharing between the Loyalist majority and the mainly Catholic Social Democratic and Labour Party can still emerge.

It is clear that while the Convention will be formally dissolved when its six-month term expires at the end of next week, Northern Ireland Secretary Mr. Merlyn Rees intends to keep the Convention in being and members; salaries no doubt will be guaranteed.

The UUUC is now understood to be planning a last-minute addition to its report, consisting of a draft Parliamentary Bill enshrin*ing its rejection of power-sharing,* to be tacked on as an appendix.

In a further move, the UUUC has completed its expulsion of "moderate" Vanguard Party leader Mr. William Craig and his three-man rump, with the announcement that the coalition's steering committee earlier this week voted to eject the Vanguard Convention Party, along with Vanguard deputy l eader the Rev. Robert Bradford.

In their place, the nine-man breakaway group, led by Mr. Ernest Baird that recently quit Vanguard to form the United Ulster Unionist Movement group), has been accepted on to the steering committee's membership. Mr. Craig has also been expelled from the UUUC's Parliamentary group at Westminster in order to ensure that the Convention report should receive the unanimous support of Loyalist MPs at Westminster.

Our Own Correspondent in Dublin writes: A breakdown in the bipartisan approach to Northern Ireland affairs now seems inevitable between the Government of the Irish Republic and the Fianna Fail Party, following the Opposition's adoption of a new policy statement demanding that Britain should declare its intention to withdraw from Ulster.

Senior Government Ministers are expected to publicly disassociate themselves from the demand.

Spend on industry, says Catherwood

BY RAY DAFTER

SIR FREDERICK CATHERWOOD, chairman of the British Institute of Management, has called for temporary cuts in Government spending so that more funds can be directed towards industrial investment.

British industry did not have funds to raise its competitive level because the money had been pre-empted by the public sector, he argued at the annual dinner of the British Plastics Federation in London last night.

Sir Frederick, who is also chairman of the British Overseas Trade Board, said public expenditure had risen from £13bn. in 1964-65 to £45bn. in the past year, a 13 per cent. a year rise at compound interest.

On the other hand, the amount of undistributed income available to companies, after providing for stock appreciation, had gone from £2.8bn. to £3.3bn., an increase of 0.62 per cent. This money had to provide for replacement as well as expansion.

"In those 10 years government expenditure has risen from 44 per cent. of our gross domestic product to 58 per cent.—an enormous shift into the public sector."

'Loss of freedom'

Through the EEC referendum vote, Britain had opted for Market membership and for competition between European companies. Sir Frederick went on: "If we do not make up our massive under-investment the competition will go their way and we will have to put up the shutters and try to run a closed economy.

"But we cannot run a closed economy in a free society, so the logical end of a failure of investment is not just a loss of markets but a loss of freedom itself.

"It is this we have to balance against temporary cuts in Government expenditure to provide the funds for industrial investment."

Mr. Ron Lewis, president of the Plastics Federation, put a large slice of the blame for the economic situation on the mismanagement of industry and Government.

He said there had never been a greater need for some protection for employers and shareholders. "And what are we doing about it? Nothing."

Mr. Lewis was speaking at the Federation's annual dinner in London at which he warned that many companies were looking to survival rather than growth. And yet industry must accept some responsibility, because of its apathy and mismanagement. Government was also partly to blame.

For instance, management should accept some responsibility for industrial relations problems. Mismanagement and Government interference were also largely responsible for the lack of profitability.

"We sit on our backsides complaining and do absolutely nothing while we have a Government in power at the moment implementing policies dictated *by the unions on employment* protection, industrial relations and nationalisation programmes."

All these policies, he said, must inevitably lead to the collapse of capitalism and a form of democracy which had been the envy of the world for so long.

"Has industry no power whatsoever to make its voice heard? Were the leaders in industry to combine in flexing their muscles to ensure a future for free enterprise then I am confident they would be supported and followed—to a man—by the rest of us.

"Unless we all are to be prepared to speak up and act in order to *defend our* heritage then we can expect no more than we deserve."

Bass Charrington to brew Tuborg lagers

BY LORNE BARLING

BASS CHARRINGTON is to brew Tuborg lagers under an agreement with United Breweries of Denmark, with the intention of increasing its already substantial share of the U.K. lager market.

The group now claims around 28 per cent. of U.K. lager sales with its two major brands, Carling Black Label and Tennants and aims to raise this to 33 per cent. within ten years. Overall sales of lager in the U.K. are expected to increase rapidly in the next few years.

The company said yesterday: "As market growth continues, customer demands have become increasingly diverse and the addition of Tuborg provides Bass with the broadest range to cater for the future."

Bass Charrington added that it planned to spend just over half its total advertising expenditure on lager during the coming year and forecast that lager would constitute at least one-third of the beer market by 1985.

Aided by the exceptional summer this year, the growth of lager has continued recently and now accounts for more than 18 per cent. of U.K. beer sales. In the last 12 months lager sales have increased by 25 per cent., with draught and home packs leading the trend.

United Breweries of Denmark, which holds around 90 per cent. of its home market with its Tuborg and Carlsberg brands, is also seeking to exploit the expansion prospects with Tuborg both in the U.K. and elsewhere.

Mr. Jim Lloyd, chairman of Bass Marketing, said that agreement had been reached for co-operation between the two companies on marketing outside the U.K. and Denmark.

The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● HEATING

Burner for coal, oil or gas

FOLLOWING AN extensive research and development programme, the Energy Equipment Company, specialist in combustion engineering, has introduced a unique triple-fuel burner for shell-type boilers. Based on the fluidised bed, it can burn with equal facility and without loss of performance the three fuels — coal, oil or gas. Furthermore, it is capable of burning the cheapest grades of coal (in sizes up to 1 inch screen) and oil and can accommodate different grades of these without recourse to major adjustments.

When fired with coal, the burner gives an evaporative response rate to change of load virtually equal to those for oil and gas fired units. In addition the pick-up time from standby can be less than ten minutes, and the exhaust gases are exceptionally clean.

The burner has been designed for use with standard shell-type boilers having either single or twin furnaces ranging in diameter from 2½ to 4 feet. For twin-furnace boilers, two separate burners are recommended as for oil, gas and traditionally coal fired units. Each burner consists of a bed formed from graded sand or similar granular inert material.

Air under pressure is passed through the bed at a sufficient velocity to cause it to behave as a liquid and "boiling" takes place in much the same manner as with boiling water. To bring the bed up to the correct operating temperature and to ensure that it is maintained at this temperature, the incoming fluidising air is preheated by a gas or oil pilot burner. When the required temperature is reached the combustion process is wholly or partly taken over by the main fuel feed.

With coal fired boilers, the fuel is distributed over the top of the bed by a sprinkler drum used in association with a ram feeder. Fuel oils are introduced into the bed by submerged cooled injectors. With gas fired boilers, the gas is fed directly into the bd through perforated injection pipes.

Fluidising air is applied through an air distributor. This is totally submerged within the bed and effectively fluidises the complete volume of sand contained within the furnace walls. Air enters the furnace through the front refractory block and the distributor is supported between the front and rear blocks.

This air is provided by a suitably sized fan or blower, the air first being directed to the preheating unit from which it passes to the air distributor. Ash formed during normal combustion is discharged through an orifice formed in the refractory lining for the front plate and level with the top of the bed. It is collected in a sealed container which is blown down periodically, any sand carried over with the ash being reclaimed and returned to the bed.

With this design of burner there are few moving parts, so that maintenance is reduced to an absolute minimum. Furthermore, there are no fire bars to burn out and trials have shown that the air distributor, commensurate in cost with conventional fire bars, has a life expectancy of up to three years. Virtually any grade of coal up to 1 inch screen can be used and this can include slack used as a practical fuel. Similarly, heavy hydrocarbon oils and sludges can be burnt after slight preheating.

A first contract has been won from Cape Insulation (Cape Asbestos), Stirling, which will use oil fuel but wants to be able to switch to coal at the drop of a hat.

Energy Equipment Company, Energy House, Hockliffe Street, Leighton Buzzard, Beds. (052 53 78373).

One of the new Electrolocation electronic sub-surface detection instruments in use.

● COMPONENTS

Flexible support system

TO FACILITATE installation of its Power-Tray cable support system, Brockhouse Building Components, Victoria Works, West Bromwich, West Midlands B70 0SX (021-556 1241) has introduced a range of galvanised components known as Power-Strut, which will accommodate almost any support, or suspension, requirement.

Its flexibility enables components to be assembled into a variety of installation and framing fabrications, affording easy dismantling and the re-use of parts.

Basis of the system is the inwardly lipped cold rolled channel and a special spring clamping nut. Fittings are secured by the clamping nut whose spring locates its serrated grooves against the channel's inturned flanges, allowing insertion of a headed screw or a threaded rod, to lock it firmly in place.

Additional versatility is provided by a series of plain, punched, slotted or "knock-out" hole channels of various depths, which can be used singly, welded back-to-back, or in other combinations, for heavy duty service or specific applications.

Continuous concrete inserts, gusset and strut brackets, universal beam clamps and conduit clamps are among ancillary fittings in the system, which is marketed by Brockhouse under licence from Power Engineering of the U.S., and made by Warwick Rim and Sectioning Company.

Control of factory plant

ONE OF Czechoslovakia's biggest engineering groups, ZPA-Jinonice of Prague, has appointed Hymatic Industrial Controls as sole distributor of its electric actuators and temperature indicators for plant control in U.K. and Benelux countries.

One range of actuators marketed under the trade-name Klimact are designed to work in ambient conditions from −20°C to +50°C. Suitable for operating both linear and rotary devices they operate from standard 220v or 240v AC mains supply and have either diecast or sheet metal dust and splash-proof housings.

Another range, known as the Modact series is built on a modular principle and comprises two types suitable for constant or variable speed applications. There is a choice of rotary, linear or lever action from one basic actuator. Since each module is, in effect, a self-contained unit, it is a comparatively simple operation to assemble an actuator to suit a given application.

The Metra temperature indicators and recorders are for measuring temperatures from −30°C to +600°C. All operate on the same basic principle: mercury in a steel sensing probe changes volume in relation to the variation in temperature. This causes a Bourdon tube to deflect which, in turn, moves a scale pointer.

Details of the various units can be obtained from Hymatic at Glover Street, Redditch, Worcs. B98 7BQ. (Redditch 63621.)

● SAFETY

TV hot spot detector

SOME 2,000 fires each year originate in over-heated TV receivers, official figures show. Clarke Instruments, 91A, High Street, Camberley, Surrey (0276 27105) has introduced a battery-operated alarm, Type 857, to detect fires in their early stages in TV sets and other electronic apparatus.

The alarm consists of a battery holder, a temperature-fusible link and a pair of sprung contacts. A self-tapping screw supplied with the alarm can be used to secure it to the back of a set in a matter of seconds. Should the temperature at the rear of the cabinet exceed 100 deg. C the link breaks, allowing the spring contacts to close. These complete a circuit for the integral 4½V battery either to ring an existing door bell or any similar audible alarm.

There is no drain from the battery, and the battery manufacturers estimate that it will last for at least half its quoted shelf life, in spite of being mounted in a warm position.

● INSTRUMENTS

Finding underground services

DETECTION equipment claimed to be many times more accurate and much less susceptible to interference signals than anything previously available, for tracing, distinguishing between and measuring the depth of all underground services, has been introduced by Electrolocation, 129 South Liberty Lane, Bristol, BS3 2SZ (0272 634383).

The three instruments available look alike and operate in a similar manner, but are adapted and calibrated for different functions—the cable detector locates the radiation from power cables; the metal pipe locator detects a signal imparted to the pipe by clipping a source to it, or by an induction technique; the drain detector tracks a miniature, low-frequency radio transmitter which is floated, rodded or jetted through the drain or sewer.

Accurate plan location and depth estimation, combined with discrimination and positive identification, are claimed for the equipment, which is said by the company to be the first in the U.K. to provide instant depth determination of a located service at the press of a button.

Different services can be identified, even when as close to each other as 6 inches. In normal survey conditions the units will locate pipes and cables at depths to 30 feet with a plan accuracy of plus or minus 20 inches, while at 3 feet (the usual depth for services), plan accuracy is 2 inches. Depth estimation is said to be accurate to plus or minus 10 per cent.

There are two interchangeable aerials for the instruments—a "cosine/cosine" twin type which gives maximum reading when tracked at right angles over the pipe providing instant depth readings and tolerating five times the interference acceptable on a single aerial; and a "sine/sine" twin aerial, which will operate in 50 times the interference tolerated by a single aerial. This gives a sharp zero (null) indication above a radiating pipe, but will not give depth indications.

All the instruments weigh less than 7 lb, are fully portable and operate from batteries. The detected signal registers both as as analogue meter reading as well as an amplitude change in a headphone tone. The maker is a member of the Rotork Group.

● HANDLING

Controls airborne powder

DURING PROCESSES such as tabletting in pharmaceutical manufacturing it is essential to reduce airborne cross-contamination between different powders handled near each other.

To solve this problem Pathfinder (Environmental) 1974, Solent Road, Havant, Hants. (07012 3661), has introduced an isolation booth to house powder handling machines. Constructed from melamine-faced board, anodised aluminium and stove-enamelled steel, the booth provides a recirculatory double filtered air flow.

Air is drawn into the booth at low velocity through a perforated ceiling, then flows downwards and across the equipment being used, towards a low level grille on the booth's air-handling module, where it is filtered and passed back to the ceiling for recirculation.

Powders accidentally released from machines are carried in one direction only in a way which almost eliminates fallout or sideways dispersion due to turbulence, says the company. The danger to operators of inhalation is also reduced. Access to the booth is through a downflow air curtain. Booth modules are 4 or 6 feet wide, 8 feet long and 8 feet high (internally).

● PROCESSES

Flaps make mixer more efficient

A PADDLE moving in a vertical reciprocating motion instead of a rotating agitator is employed in a recently developed mixer for the food and chemical industries.

Produced by Turbo Tools (Hull), 1 Gillett Street, Hull HU3 4JA (0482 25651) it is operated pneumatically (at 70 psi) by Schrader equipment.

Unlike conventional mixers, it has no rotating agitator. Instead, it uses a paddle moving in a vertical reciprocating motion. The paddle, fixed to a single column, is divided into four flaps, hinged to open upwards as the paddle makes its down stroke. On the up stroke, the pressure of the mix holds them closed.

This arrangement is said to provide a more efficient, consistent and gentler mixing action—with more turbulence—than rotating systems.

It has other advantages: the paddle can be made in any size or shape to suit different types of container; the column is positioned near the side of the tank so that almost the entire top is open for filling; no centrifugal force is involved, and the mix does not suffer from shear. There is no fear of contamination from lubricant as moving parts are remote from the mix.

With deep tanks, less input energy is required for thorough mixing since a series of paddles can be attached to the one column, and only a relatively small amount of reciprocating movement is needed.

Fine mists in large volumes

SPRAYER TYPE N from Bertin generates a very fine calibrated mist in a cone-shaped jet.

While the flow-rate is at industrial level (1 to 20 litres per hour) the fineness of the mist is that usually yielded only by laboratory devices. This results from careful design and from combining both mechanical and pneumatic spray generation.

There are no moving parts and mist characteristics are determined by adjusting both air and sprayed liquid pressures and flowrates.

Major applications include processes where very fine mist is required to ensure the best possible contact between the sprayed liquid and the processed product whether liquid, gaseous or solid and especially in powdered form.

Developed by the Onera Research Division, Bertin helped to check its parameters and engineered the device for industrial applications.

Bertin and Cie., Boite Postale no. 3, F 78370, Plaisir, France.

● By agreement between the Financial Times and the BBC, information from The Technical Page is available for use by the Corporation's External Services as source material for its overseas broadcasts.

● TEXTILES

Garments washed in the factory

TWO COMPACT spray wash machines—neither requires a skilled operator — intended originally for institutional laundries, are now being marketed for industrial organisations issuing garments to employees. The manufacturer, Baker Perkins Jaxons, says that they can be used for in-plant laundering alongside other service departments such as printing, office cleaning and catering.

The two machines—patents have been applied for—are the 'Stream-Line' Spray Wash Mini and Super Mini. They can be easily absorbed in any existing laundry where, it is claimed, either would raise productivity and make effective cuts in present laundering costs. Throughputs of 30 to 50 garments an hour are possible, says the company, which operates from 405, Hillington Road, Glasgow G52 4QJ.

Basically the system consists of tunnel-like enclosures that individually incorporate zones where the garments are sprayed, washed, rinsed and then dried in a completely automatic process. Throughput is continuous, with the garments being fed through transversely on hangers which are manually loaded and unloaded.

● TRANSPORT

Sweden's chance in U.S.

AMTRAK, a semi-federal railway organisation responsible for passenger traffic in certain areas of the United States, announced yesterday that it is to lease a high-speed light-weight Swedish electric locomotive to evaluate performance for possible use in the north-east corridor, Washington DC to Boston.

The unit will be supplied by the Swedish company ASEA. The Amtrak president, Paul H. Reistrup, who recently returned from a European train inspection trip, said it was essential that Amtrak use the best passenger train technology in the world to provide improved inter-city service.

Lease of the demonstration unit would permit Amtrak to evaluate advanced design and technology now embodied in state-of-the-art electric locomotives.

The demonstration locomotives, modified to meet Amtrak's requirements, is due off the ASEA production line next summer. After arrival in the U.S., it will be operated on the electrified line between Washington DC and New Haven, Conn. The lease is for six months, with an option for up to an additional six months.

The locomotive, Class RC 4, differs from any available or planned in the U.S. by its light weight (about 80 tonnes, or less than half that of comparable U.S. locomotives), high horsepower (6,000 h.p., about the same as U.S. electric locomotives), and four-axle design.

The ASEA locomotive also uses an advanced thyristor control system, incorporating a pre-slip acting creep control system, which enables it to accelerate rapidly with relatively heavy loads to high speeds. The locomotive moving to the U.S. will be geared to operate at speeds up to 120 m.p.h. (190 KM/H).

ASEA already licences GE in the U.S. to use its thyristor locomotive technology.

● LIGHTING

New light uses less electricity

AN EIGHT foot fluorescent rated at 100 W (instead o conventional 125 W) has introduced by Thorn Ligh Upper St. Martin's Lane, Lo WC2H 9ED (01-836 2444). C "POP 100", it is being keted both as a replacement for existing 8 foot switch installations, and as a com fitting in the Popular Pack r

Reduction in wattage achieved by introducing kr —one of the rarer gases o atmosphere—into the tube, t by lowering its power cons tion.

The new tube uses only circuit watts compared with 142 circuit watts of the prev 125 W fitting. There is a r tion in light output—about cent. in a bare lamp fitting 5 per cent. in an enclosed mercial diffuser, and comp side by side with the 125 W ting, the difference in light put is barely noticeable, says company.

It is claimed that the I industrial and commercial can effect a saving of 20 W per cent.) per tube-way by stalling the tubes into exis switchstart fittings.

● PLASTICS

A new face on particle board

A TECHNIQUE newly develo for the coating of part board using Novodur sheet, ABS polymer from Bayer Leverkusen, involves coating side of the sheet with a hot-m adhesive as well as new lami ing machines from the Gehaplast, Gebr. Halbert in Oeynhausen-Werste, Germany

Depending on the design the machine, heat is app either to the sheet itself or the surface of the particle bo and the coated sheet is t pressed on to the board means of rollers. The hot-m adhesive becomes react through the heat and form firm bond between board sheet. Despite the high operat speed — infinitely varia between 5 and 25 m/min.— laminated board can be fab cated immediately.

The hot-melt adhesive guar tees a flawless surface unlike surfacer which was needed the past. Neither is there a need for a glue applicator.

● CONSTRUCTION

Distributes the power

MOST construction sites ne electrical power and frequent it is needed in confined areas.

Wysepower has just develop a slim line 200 amp distributi unit designed for both wall ar floor mounting for this type situation.

A weatherproofed steel unit is suitable for both single ar three-phase supply and is a cor pact unit capable of distributin power to portable plant, too and welding equipment.

Its demountable base designed so that a contracto may mount the unit on a wa in one job and floor-mount it o the next.

More details are availabl from the company at Drov Road, Everton, near Gamlingay Sandy, Beds.

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LABOUR NEWS

Dispute-ridden haulage base appeals to TGWU

BY JOHN WYLES, LABOUR REPORTER

URGENT TALKS with Transport and General Workers Union national officials are being sought by the management of a Birmingham container base which claims it has been brought to the brink of closure by "restrictive practices" supported by the controversial Mr. Alan Law, the union's commercial trade group secretary for the Midlands.

Container Base Limited, which has six U.K. bases, warned yesterday that the Birmingham base would be closed permanently unless a "blacking" campaign against non-union lorry drivers is lifted and a current dispute over security passes settled.

The company claims that it has lost more than £400,000 since the £1.25m. base was opened in 1968 largely through trade dropping away because of the blacking by its 70 freighthandlers who have at times even refused to handle lorries driven by foreign drivers.

Management alleges that the blacking is in line with the aims of the TGWU's 5/35 branch, whose secretary is Mr. Law, to win total control over road haulage activities in the Midlands area.

Although blacking has been the base's long-standing problem, it was closed for business yesterday because of the workers' refusal to carry security passes. This shutdown came only days after the settlement of a 10-week strike by the freight-handlers whic is said to have cost more than £125,000 in lost business.

Behind both disputes is a management decision to step up efforts to prevent pilfering at the base. An estimated £25,000 worth of goods were stolen last year and the strike began after three employees were suspended for refusing to be searched.

Mr. Law has blamed the basic problems on bad management but he has agreed to allow the latest dispute to be discussed by the company at national level with Mr. Ken Jackson, the TGWU's national commercial secretary.

Leyland participation plan agreed for bus and truck workers

BY JOHN ELLIOTT, LABOUR EDITOR

BRITISH LEYLAND'S truck and busi division yesterday formally announced details of its shop steward-based employee participation scheme which has been agreed broadly in line with proposals drawn up a year ago when the Ryder inquiry first started examining the future of the motor group.

Yesterday's announcement follows agreement on a similar scheme in the group's car division on Tuesday. Leyland's two main production sections are now set for a major advance in the influence of trade union representatives.

Talks are now expected to start in Leyland's special products division but these may produce a less complex structure of participation because of the widely differing types of the division's products.

As in the car division, the truck and bus agreement involves three tiers of joint shop steward-management committees—the lowest at plant level sending representatives onto middle-level operations committees covering, for example, Scottish operations and those in Lancashire.

In turn these operations committees will send nine shop stewards onto a top level council where the management will have an equal number of representatives with Mr. Ron Ellis, the division's managing director acting as chairman.

It was stressed last night that there has been no attempt to ensure equal numbers of management and union representatives on the committees, partly because they are not intended to vote on their decisions.

The company heralded the announcement as being not only a new structure for management-employee relationships but "the beginning of a major change of attitude."

"British Leyland sees the proposed joint management councils and committees as demanding a radical change of approach by management and employee representatives," said the company.

"Matters generally seen as areas of management prerogative—investment, new model and facilities planning, sales and marketing plans and financial performance must now be laid before employee representatives with the firm objective of developing agreed courses of action.

"Only by management and employee representatives approaching the new councils and committees with this objective will they be able to fulfil their proper purpose.

Living cost rise for clearing bank staff

By Our Labour Staff

ABOUT 97,000 staff in the English clearing banks will receive increased cost of living allowances backdated to August 1 under an agreement reached with the employers this week.

The allowances cover staff employed in London and other large towns. The new rates range from £485 a year for people working in the centre of London to £124 a year for those in some 17 large towns. The previous rates were £402 and £105.

Implementation of the increases was first held up by the introduction of the new counter-inflation policy and later by a suggestion from the employers that they should be deferred because they have to be offset against the £6 pay rise for bank employees next year.

Meanwhile, the National Union of Bank Employees and the staff associations in three of the clearing banks have agreed to meet again in December to see if they could agree on the terms for merging into one union, a spokesman for the staff associations said yesterday.

Tribunal recommends six Ladbroke workers should be reinstated

BY OUR LABOUR REPORTER

THE TRANSPORT and General Workers' Union yesterday scored a major victory in its campaign for recruitment and recognition rights at Ladbroke, the bookmaker group, when an industrial tribunal recommended the reinstatement of six of its members dismissed during a prolonged dispute in Scotland.

In a test case ruling likely to affect 150 other former Ladbroke employees sacked at the same time and who are still unemployed, a tribunal sitting in Glasgow decided that the six TGWU members had been unfairly dismissed by the company for taking part in a strike over pay and recognition.

Apart from recommending reinstatement, the tribunal also awarded the six compensation of £100 to £200 each. If applied to all the workers in the dispute, which at one time closed 47 betting shops, Ladbroke may well be liable to pay well over £15,000.

The company said it was still examining the tribunal's decision last night but, nevertheless, the situation had now been "crystallised" and this could only be in the best interests of both the company and its former employees.

Meanwhile, the TGWU will be seeking an urgent meeting with the company to discuss the implications of the tribunal's decision.

Mr. Hugh Wyper, TGWU Glasgow district secretary, predicted there were bound to be national repercussions. "There will be a demand by other Ladbroke workers in other parts of the country to join the union."

Pay review

Ladbroke has consistently maintained there is little demand for union recognition among its 6,000 U.K. betting office staff.

When 300 employees at its West of Scotland offices went on strike in June over a pay review and demands for local recognition of the union, they were dismissed by the company for taking industrial action.

But according to the written judgement delivered yesterday the demands for union recognition were a major influence on the management's attitude.

"Our general conclusion is that the trade union aspect loomed large in the dispute and we are therefore unable to conclude that the reason or principal reason for the dismissals was that the employees took part in a strike." Mr. Ian MacDonald, QC, the tribunal chairman, said.

Benn move on oil rig industry

By Christian Tyler

TALKS between the Government, trade unions and the oil companies were proposed yesterday by Mr. Anthony Wedgwood Benn, Energy Secretary, as a way of speeding up the flow of orders for North Sea oil rigs.

The hiatus of orders, especially for steel construction work, threatens to make 1,800 men idle at a Hartlepool yard by next summer. A similar situation could later face workers at the Nigg Bay construction yard in North-east Scotland.

Mr. Benn's suggestion was made to shop stewards from Laing Offshore's Graythorpe yard, who asked the Minister to ginger up the oil companies. The meeting followed a lobby of 15 Northern MPs and the presentation of a petition at No. 10 Downing Street, seeking the Prime Minister's intervention.

The orders problem is attributed to the oil companies' reluctance to tender until they are more certain of the Government's financial policy on North Sea oil.

The unions said they had received no assurance from the Minister that the yard would stay open, but had been promised that he would investigate on their behalf. He will meet the shop stewards again in the New Year.

Meanwhile, the stewards welcomed Mr. Benn's suggestion that there should be a permanent liaison committee of union general secretaries, Government officials and oil company executives to discuss the flow of North Sea development work.

Nightclub strike—but show goes on

BY OUR LABOUR STAFF

ABOUT 100 workers at the top London nightspot Talk of the Town came out on strike yesterday — but the show will go on.

The cabaret spot is owned by Trust House Forte, which is refusing to meet a Transport and General Workers' Union demand for a closed shop there.

About 100 of the 120 restaurant, kitchen, box office, cashier and cloakroom staff are in the union and began a stoppage this morning after talks failed.

The union complains that the company appears to be discriminating against it as it has 100 per cent. agreements with the musicians and performers unions.

A Talk of the Town spokesman said pickets were outside the club but, with non-union members and management helping out, business was "as usual."

The show, with Roy Castle topping the bill, would go ahead to-night.

The spokesman agreed the union had a strong membership and that the management had regular dealings with the union on a proper basis. But, he said, if some workers wanted to remain outside the union the club defended their right to do

New pay offer at Scots R-R

ABOUT 6,000 manual workers employed by Rolls-Royce in Scotland, had their £15 wage claim refused yesterday but have received an offer — within the Government's £6 pay limit. The offer came after a meeting of company and union representatives.

● More than 700 white-collar staff at British Waterways are the latest group to receive the £6 a week increase, following a settlement agreed yesterday with the National and Local Government Officers Association and other unions.

APPOINTMENTS

R. Comley joins Board of Cory Brothers

Mr. Roy Comley has been appointed a director of CORY BROTHERS AND CO., part of the Powell Duffryn Group.

★

Sir Herbert Ashworth has been invited on to the Board of THE BUILDER, publisher of the weekly construction industry magazine Building. Sir Herbert is chairman of Nationwide Building Society and a vice-president of the Building Societies' Association.

Group changes at S. Pearson

S. PEARSON AND SON announces with regret that owing to ill health Lord Poole has relinquished his position as chief executive and his directorships of the group's subsidiaries. He will continue as a non-executive director of S. Pearson and Son. Lord Gibson has assumed the duties of executive deputy chairman.

Mr. Daniel Meinertzhagen, chairman of Lazard Brothers and Co., succeeds Lord Poole as chairman of the Whitehall Trust, the holding company of the group's interests in banking and financial services.

Mr. J. P. Medd, the chairman of Doulton and Co. is joining the Board of S. Pearson and Son.

Mr. M. J. Hare, who will be assuming full-time executive duties at the group's head office, becomes joint deputy chairman of Doulton and also deputy chairman of the Whitehall Trust.

Lord Allan is resigning as deputy chairman of Pearson Longman but remains on the Board of the company, and certain of its subsidiaries, as a non-executive director. He will be succeeded as deputy chairman of Pearson Longman by Mr. C. R. E. Brooke an executive director of S. Pearson and Son.

★

Mr. Norman Gardener has been appointed marketing director of LUBRICATION ENGINEERS (UK), a subsidiary of the Butterfield-Harvey Group.

★

Mr. J. N. Sykes has resigned through ill-health from the Boards of the BRITISH COTTON AND WOOL DYERS' ASSOCIATION and its subsidiaries. Mr. L. W. Warner succeeds Mr. Sykes as managing director of the A and G Holding Company. Mr. J. V. Haworth has been appointed to the main Board of the group.

★

Mr. J. T. Bell, a director and secretary of SIR LINDSAY PARKINSON AND CO., a member of the Fairclough Group, has retired.

Mr. W. D. Ritchie has become secretary of BRITISH URALITE in succession to Mr. N. O. Lance, who is the financial director of the company.

★

Mr. Hutchison B. Sneddon has been appointed to the Board of the NATIONAL BUILDING AGENCY.

★

Mr. John G. Quicke, of Newton St. Cyres, Devon, has been elected president of the COUNTRY LANDOWNERS ASSOCIATION in succession to Mr. Tim Heywood.

★

Mr. A. J. R. (Tony) Purssell, who recently succeeded Mr. R. A. McNeile as managing director, ARTHUR GUINNESS SON AND CO., has been appointed to the Board of HARP LAGER in place of Mr. R. A. McNeile.

★

ENSOR HOLDINGS has appointed Mr. George F. Kay as group managing director. Subsidiary company managing directors Mr. Cecil L. Amos, of Anvil Enterprises, the Hereford-based company specialising in the supply of timber-framed houses, and Mr. Thomas A. Fisher, of Ensor Transport, Woodville-based haulage contractors, are appointed directors of Ensor Holdings.

★

Sir Jan Lewando will join the Board of BUNZL PULP AND PAPER in June next. Until then he will act as a consultant to the Board.

BANK RETURN

—	Wednesday Oct. 29 1975	Inc. (+) or dec. (—) for week
BANKING DEPARTMENT		
LIABILITIES	£	£
Capital	14,553,000	—
Public Deposits	19,535,757	— 1,434,572
Special Deposits	977,520,000	—
Bankers	316,333,917	— 50,073,428
Reserves & Other A/cs	355,419,403	— 12,727,488
	1,682,862,077	— 64,235,788
ASSETS		
Govt. Securities	1,319,441,533	— 68,210,000
Advance & Other A/cs	245,569,900	— 5,808,680
Premises, Equip't & other Secs	85,008,737	— 306,256
Notes	32,608,909	+ 10,097,915
Coin	238,998	— 8,158
	1,682,862,077	— 64,235,788
ISSUE DEPARTMENT		
LIABILITIES	£	£
Notes Issued	5,875,000,000	+ 25,000,000
In Circulation	5,842,391,091	+ 14,902,085
In Bank's Dept.	32,608,909	+ 10,097,915
ASSETS		
Govt. Debt	11,015,100	—
Other Govt. Secs.	5,254,225,949	+ 22,435,493
Other Securities	609,760,951	+ 2,564,507
	5,875,000,000	+ 25,000,000

The Property Market

BY QUENTIN GUIRDHAM

Some hardening of City yields

THE price of £4.65m. paid for 30 Finsbury Square has brought some reassurance about City property values and a confirmation of the hardening yield trend. The initial yield of 5.9 per cent. indicates a present rent role of around £280.000 and this should rise to slightly under 8 per cent. in December next year, so the reviews on this multi-tenanted building are assumed to raise the rents to around £375.000.

The leasehold sellers, Trafalgar House Investments, get something under £2m. of the total price, the lion's share going to the freeholders. This does not mean that Trafalgar House has decided the City is the place to sell. According to managing director Victor Matthews, the building, formerly headquarters of Trollope and Colls, has never been considered as one of the City properties the group wished to keep. But it was not until this year that the freeholders, an institution, were of the same mind.

This, with another office sale at Southwell House, Rayners Park, brings Trafalgar House's office disposal total this year to around £15m. And Whitbread Trafalgar Properties has also made a sale this week: Marsland House, at Sale, near Manchester, has been sold to the tenants, Federated Insurance.

But for the City Market, the presence of Scottish institutional buyers (30 Finsbury Square is thought to have gone to Scottish Widows) provides much the same sort of comfort as the Saudi Arabian consortium bank's decision to take space in 99 Bishopsgate. At least the right people are still in the market, even if the prices may not suit everyone.

What the Al-Bank Al-Saudi Al-Alami is paying for its two floors is something Berkeley Hambro does not want to reveal (there is room for different definitions of the floor space taken, but it is more than 20,000 square feet). Healey and Baker, which acted for the bank, reckons it has struck a suitably hard bargain. After all, this is potentially a major banking force and increases the tower's claims to be a banking centre.

Equally, Richard Ellis and Vigers, and the developers as well, must be relieved that the upper-floor lettings have now started, and on a high note. One way of calculating the rent gives the building virtually nothing of its hoped-for premium over the Stock Exchange's asking price of £13.50 per square foot, but then there is no news of any lettings there yet. Even taking a calculation more favourable to the developers, the Saudis and their Western shareholders are unlikely to pay more than £15 per square foot, which is quite a drop from the £17-plus asked earlier in the year.

The decline in City rents is, in a property share survey produced by Phillips and Drew, reckoned to continue. They work on the basis of prime central London rents having fallen 25 per cent. and being due for a further 25 per cent. decline. And, while the stockbrokers follow several agents in forecasting that the market will come into balance again in 1977-78, the assumption for the earlier year is only suggested if the economic cycle produces an unusual hump in the demand pattern: instead of a steady 1.5m. square feet a year demand in central London, P and D thinks one might get a 1m. square feet demand in 1976 followed by a jump to 3m. square feet in 1977, 1.5m. square feet in 1978 and then just a million square feet for the next two years.

Even so, P & D analyst Paul Coombes thinks that the best prospects definitely lie outside London in provincial locations like Leeds and Southampton where the limited amount of office space in the pipeline (only 18 per cent. of existing stock total either now vacant, under construction, or with planning permission in the case of Leeds). Another sector favoured is prime shop property.

One point the survey makes is that the amount of genuinely prime property for sale has been greatly exaggerated. On the stockbroker's estimates it accounts for no more than some £800m. out of a total £2,700m. current overhang of property on offer. "When this is compared with a level of institutional investment in property which last year ran at £660m., it is by no means the inexhaustible supply which some commentators have assumed."

On the 30, Finsbury Square, deal, the purchasers were represented by Jones Lang Wootton. Cluttons acted for the freeholders and Healey and Baker for Trafalgar House. On Southwell House, Knight Frank and Rutley acted for Trafalgar: on Marsland House, at Sale, Dunlop Heywood acted for Whitbread Trafalgar and J. R. Bridgeford for Federated Insurance.

E. Ireland's withdrawal

THIS WEEK'S example of "take-a-bath" accounting from a property company is Ernest Ireland's write-down of £1.05m. in the interim figures. This represents about 10 per cent. of the development portfolio, which at the beginning of the year was valued at £16m. In addition the other interests relating to the development side—shop-fitting and joinery—have made a £50,000 loss. The total pre-tax loss is £950,000, and the shares now stand at 23p. So capitalisation is under £1m.

This is a long way from the 1973 peak of 174p, which reflected a firm market over three years for a company whose property developments overhauled the traditional contracting business. The decision now, inevitably, is to get out of speculative schemes, said in 1974 to make up 65 per cent. of the development programme.

The march back to contracting is said to be an 18-month to two years' operation. But a major problem may lie in Brussels, where Ireland is involved in one of the larger of the late-1973 projects. The plans then were to provide over 1.4m. square feet of offices and shops on a 22-acre site at Etterbeek. The other parties are Banque de Bruxelles and the CFE contracting group.

But so far only the site has been cleared, though that is a fairly complex operation in itself since the offices and shops run over the Metro and railways. At the moment, with Ireland's line of credit from the bank still intact, the idea is to get institutional backing before building starts next year. If the scheme goes ahead, the value to Ireland is still put at £17m., though the company must know quite well how shaky Brussels values are and it is also looking at the prospect of relegating itself to simply a project management role. This year it has completed the sale, in flying freeholds, of its Government-occupied Belliard development, realising a total of £1.8m., but it has another, smaller unlet and unsold Brussels block on its hands.

At home, there is similarly one big project which could be dangerous. This is a £12m. office development at Hammersmith, against which a potential liability of £2.125m., should Ireland pull out, had to be shown in the last accounts. Now the company claim that the more likely penalty is only £¾m. Talks about funding continue, and with Ireland's partners due to take up half the space, negotiations to pre-let the remainder look fairly vital.

Apart from completing the Brussels sale, the only major disposal so far this year is £900,000 raised from the New Malden office, car-park and store development. Ireland is looking for three more U.K. sales, fetching between £2m. and £2½m. before the end of the year. These are past developments, where there has already been a rent review, and come from the fixed assets section. The sales would mean the reduction by about a half of the U.K. investment portfolio.

Last year's accounts (which showed nearly £1.2m. of interest capitalised and only £264,000 charged to profit and loss) included auditors' qualifications on the £12.5m. of development land and property not sold in advance. Even with the contracting side profits running in line with last year, the injection of Middle East business into an order book apparently written at decent margins, and the turnaround of the Weir acquisition, Ireland needs to run a tight ship over the next few months, especially since debt still represents about four times shareholders' funds.

One glimmer of light of course is that the group's traditional skills still seem to be intact after such an expensive foray into the world of speculative property development.

Grim story from factory statistics

The depressed state of the industrial property market is reflected in Ravenseft's decision to call a halt on its Seafield Estate in Edinburgh. Two buildings have been completed, totalling 60,000 sq ft. They are the first phase of a 300,000 sq ft factory/warehouse complex which had been planned for the 14.3 acre site.

Three-quarters of the space has been let, incoming tenants being William Muir (Bond 9), whisky blenders who have taken 30,000 sq ft, Boots and Gallagher. This leaves two units extending to 10,000 sq ft and 5,000 sq ft available. The rents, according to letting agents Jones Lang Wootton have been about £1.30 per sq ft.

Ravenseft, following its parent Land Securities line, does not intend to go forward with the remaining part of the development in the current economic climate. It will hold the buildings as investments.

On the selling side, Marlborough Property Holdings, advised by King and Company, has found a buyer for the freehold interest in the first phase of the Broad Oak Trading Estate, Canterbury, in the Standard Life Pension Fund (represented by Debenham Tewson and Chinnocks). Most of the 41,000 square feet of warehouse and industrial units has been let to Wallpaper Manufacturers and Cartier Freezer Foods. The last 10,000 square feet is being offered at an £11,000 p.a. rent and in this case the second phase of 22,000 square feet will go ahead shortly.

An institution has bought the long leasehold interest, held from the Basildon Development Corporation, on a 96,000 square feet warehouse on the Burnt Mills Industrial Estate, Basildon. This was built by the Keddie Group, which will occupy about half the space, the rest being used by Carreras Rothmans. Druce and Company, which acted for the institution, says about £800,000 was paid for the leasehold interest subject to an overriding, geared leaseback on the entire premises to the Keddie Group with frequent rent reviews.

Druce has also been active, for John Matthews, in letting the Church Road estate at Gatwick. Around 100,000 square feet here has been let in the last month or so, tenants including British Caledonian, Pitney Bowes, the ASA subsidiary of Jardine Matheson, Air Marketing International and a British Plastic Packing subsidiary. There are three-year reviews and rents are said to have exceeded £2 per square foot. Talks with a public company for a purpose-built 200,000 square feet addition to the estate are in progress.

But isolated evidence such as this of a brisk market in one area does not disguise a very poor occupation trend, especially in the South-East. King and Co.'s new availability survey shows very large rises in vacant space in both the warehouse and factory markets. Their total for warehouses vacant and to let or for sale in Engand and Wales, has risen from 20½m. square feet in March to 27.3m. square feet; and the figure for factories has jumped from 23.4m. square feet to 33.6m. square feet.

Despite the completion of almost 8m. square feet of new premises since March, the total increase of premises currently available has increased by abo[ut] 17.28m. square feet, meaning, [in] effect, that some 9.48m. squa[re] feet of accommodation has bee[n] vacated during the last [six] months or so (King's did the sums on the August figures).

This is a telling statistic, wi[th] some of the worst figures comi[ng] from London and the Ho[me] Counties, where the increase [in] vacant warehouse space has bee[n] from 10.2m. square feet [to] 15.1m. square feet, and in fa[c]tories from 14.1m. square feet [to] 19.6m. square feet.

What also shows up in th[e] survey is the continued slo[w]down in new construction und[er]way. Accommodation und[er] construction and likely to [be] available within six mont[hs] dropped from 12.4m. square fe[et] to 4.6m. square feet.

OUT AND ABOUT

● Artagen Properties has co[m]pleted construction of the fi[rst] unit of its Riverside Industri[al] Estate at Ponders End, Midd[le]sex. This is a 28,500 sq ft wa[re]house pre-let to a company call[ed] Stadium. LRC Internation[al], BMK and Dixons Photograph[ic] have already taken space on t[he] 272,000 sq ft estate.

● Expected confirmation h[as] come through for the seco[nd] phase of the Telford Cent[re], Shropshire. The Department [of] the Environment approval is f[or] more than doubling the 250,0[00] sq ft of the first phase. Mar[ks] and Spencer, Littlewoods, Habi[tat] and Mothercare are among tho[se] who have taken space. Buildi[ng] will begin during next year wi[th] trading due to start by Christm[as] 1978. Further Telford plans ta[ke] the total floor space to ov[er] 800,000 sq ft.

● Another small agricultu[ral] investment by a pension fun[d]: Jones Lang Wootton has boug[ht] Hall Farm at Eastcroft, reckon[ed] one of the better farms [in] Humberside, for £220,000.

INDUSTRIAL & BUSINESS PROPERTY

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New North Atlantic air service pact talks next week

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE DEPARTMENT of Trade is to hold talks next week in London with officials of the U.S. Government, aimed at a new Anglo-U.S. agreement on North Atlantic air services, particularly charters.

The talks will follow a series of meetings in recent weeks between the U.K., the U.S. and various other countries in Europe, designed to bring a more coherent pattern into the present complex inter-governmental arrangements on North Atlantic air transport operations.

The U.S., which has recently introduced a new low-fare plan called "one-stop inclusive tour charters" (OTCs), is anxious to get the maximum co-operation from all the European countries for this type of service.

Scheduled

It recently discussed this with the European Civil Aviation Organisation, the group representing all the governmental civil aviation bodies in Europe, and found that many of the European countries wanted a much more uniform type of Atlantic charter arrangement than existed at present.

In particular, the Europeans would like to see a more liberal U.S. policy towards them than at present.

This view is likely to be reaffirmed by the U.K. in the forthcoming London discussions, and it is probable, therefore, that some further meetings with European countries will also be necessary.

The U.K. is also expected to press next week for a new agreement on the numbers of seats each country intends to offer on its Atlantic scheduled operations next year.

The DoT is believed to feel there is still a substantial volume of surplus capacity on the North Atlantic, and that a further reduction in seating by both sides can be negotiated.

The U.K. is also anxious to have resolved the outstanding differences between the two countries on the question of commissions paid to travel agents.

To a large extent, this problem may be resolved by the actions of the airlines themselves—the members of the International Air Transport Association are discussing a new 8 per cent. commission level, as opposed to the present 7½ per cent., at their "composite traffic conference" in Cannes over the next few weeks.

But whatever is agreed at Cannes will still need governmental approvals, and the U.K. is anxious to ensure there is at least a meeting of views between this country and the U.S. in advance of any IATA decisions.

Pending some kind of agreement at Cannes, however, the DoT is determined to ensure that all airlines flying to and from the U.K. apply the rates of commissions approved by this country—7½ per cent. of applicable scheduled air fares, plus an additional 2½ per cent. for the sale of inclusive tours.

It has accordingly written to all the 86 airlines concerned, saying that while many of them raised their commission rates earlier this year to match higher rates being offered by Pan Am, the fact that Pan Am itself has now agreed to adhere to the DoT's requirement means that those others must follow suit.

● British Airways' European Division, which halted services to Cyprus at the time of the Greek-Turkish fighting last year, is to start flights again this weekend, in conjunction with Cyprus Airways.

Barclays 'part of apartheid'

BY LORNE BARLING

DESPITE Barclays Bank describing apartheid as "an evil doctrine," its operations in South Africa have made it an integral part of the apartheid system, according to a report published yesterday.

But it adds that any company operating in South Africa—particularly such a large company as Barclays—has little choice but to accept the laws and customs which govern the apartheid system.

The report, compiled by the Haslemere Group and the Anti-Apartheid Movement, said that Barclays dominates banking in South Africa with account holders' deposits totalling more than £1.6bn.

Naturally enough it ran its business on strictly commercial lines, but its participation in the African Bank resulted in the logical extension of the apartheid system, leaving blacks firmly under white domination.

"Even more serious is the fact that Barclays International is involved in making loans to South African Government corporations," the report says. This showed that Barclays had clearly aligned itself on the side of the white establishment.

Other points raised in the document, which Barclays yesterday admitted to be factually correct but wrong on many implications, were that less than 2 per cent. of clerical staff were black, it operated in the illegally held territory of Namibia and that it continued to operate in Rhodesia.

Barclays said yesterday that it operated in about 70 countries including the Soviet Union and had to abide by the laws of the country, whether it liked them or not. It repeated its opposition to the apartheid system.

"Although our interests in our South African subsidiary has been reduced as a result of South African Government's policy, we intend to remain there. We believe that our presence is a better force for liberalisation than withdrawal would be," the bank said.

'Over 1m. office staff unhappy at work'

BY ROY LEVINE

MORE THAN a third of Britain's 3½m. clerical workers are dissatisfied with their offices, according to a survey by the Alfred Marks Bureau.

The survey also showed a drop in real earnings in London for the first time since 1967, when the bureau started its office-salary reviews, and a 40 per cent. drop in demand for office staff in London over the 12 months up to the end of August.

On offices, the survey found that no fewer than 70 per cent. of the women questioned complained of inadequate ventilation during the heat wave of July and August.

Nearly half considered the layout as inadequate and around a third thought that lighting, hygiene and heating were not properly provided for.

Over a third also felt hindered by the tools of their trade. "The chair gives no support and is uncomfortable, stationery is out of reach, filing is made difficult and, for one in four, even the telephone is out of reach," commented the report, published yesterday.

Sickness causes between 25 to 30 times more days lost than strikes, with some 320m. lost days registered annually by the Department of Health and Social Security.

Reporting on office salaries in London for the three months to the end of August, the bureau found a sharp increase after the unexpected flattening out during the previous quarter. The average increase was £2.25 a week, moving the average salary up to £37.50 a week.

However, this increase was not enough to compensate for the rise in the retail price index.

● The annual survey of U.K. executive salaries by the management consultants Inbucon/AIC says the average salary rose only by 22.5 per cent. in the year to July, compared with a 27 per cent. rise for all employees recorded by the Department of Employment and a 31.7 per cent. rise in manual workers' basic rates.

'Dilution' plan to dispose of nuclear waste

BY DAVID FISHLOCK, SCIENCE EDITOR

AN INGENIOUS proposal for disposing of the highly radioactive wastes from nuclear fuel which, it is suggested, might be more acceptable to public opinion than present schemes for concentrating the waste has been advanced by a consulting nuclear engineer.

His idea is to dilute the high-level radioactive effluent from nuclear fuel reprocessing operations, to a point where the waste material would immediately become "relatively innocuous" and the radioactive waste management problem would be reduced to a few hundred years instead of enduring virtually in perpetuity.

In the form proposed, it would be practicable to consider storing the waste in old mine workings, or even by dumping into the sea, says Mr. Karl H. Puechl, writing in the November issue of Nuclear Engineering International.

A 1,000-MW nuclear reactor yields about 30 tons of spent fuel a year. Reprocessing of this fuel, to reclaim unburnt uranium and plutonium, yields a highly radioactive effluent containing about 1 ton of fission products plus about 1 kilogram of residual plutonium and higher isotopes—all highly radioactive—dissolved in about 15,000 gallons of nitric acid solution.

Because of the residual plutonium-239, the radioactivity of this liquid starts at 10,000 times the radioactive level of the earth's surface, and would not become innocuous for "a few hundred thousand years."

This is the nub of the controversy over ultimate disposal of the highly radioactive waste, even if solidified. Proposals for storage range from abandoned salt mines through retrievable surface storage in, say, concrete canyons, to dumping into deep ocean trenches or even into volcanoes.

PARLIAMENT

Wilson expects talks before any final Chrysler decision

THE PRIME MINISTER told the Commons yesterday that he and the Industry Secretary (Mr. Varley), expect to meet the heads of the Chrysler Corporation before any decision is finally taken about the future of the company's operations in the U.K.

Replying to questions Mr. Wilson said: "We are trying to get a full appraisal of the situation.

"I have asked for and I think I have received an assurance that no irrevocable decision will be taken before a discussion with the Industry Secretary and myself with the heads of the Chrysler Corporation.

"This is an extremely difficult problem and I would not want to underrate its gravity this afternoon."

Mr. Wilson said it was too early to speculate what Chrysler's decision would be. He told Mr. Malcolm Rifkind (C Pentlands) that the Scottish MP was not exaggerating in saying that a decision by Chrysler to withdraw from the U.K. would, by any calculations, be a devastating blow to employment prospects.

Mr. Wilson assured the House that the Government had been in continuous touch with the corporation. "Mr. Varley has written to the chairman of the Chrysler Corporation asking for a full appraisal of the situation.

"I understand that the corporation did, in any event, intend to have discussions with the Industry Secretary in the very near future."

Mr. Wilson agreed with Mr. LHeses il
Leslie Huckfield (Lab., Nuneaton) that it was a very complex situation involving model ranges, market capacity, and other problems.

Mr. Varley was meeting Labour MPs representing areas involved with Chrysler that afternoon. He would be happy to arrange meetings with other MPs who had "Chrysler anxieties," at the earliest possible moment.

MR. NORMAN BUCHAN
"A mini-Jarrow if anything went wrong."

In any discussions, the Government would be concerned with maintaining the flow of Chrysler U.K. exports to Iran—"an enormous programme of shipping."

Mr. Norman Buchan (Lab., Renfrew W.) said: "The town of Linwood depends entirely upon the continuation of Chrysler in Britain. We would be faced with a mini-Jarrow if anything went wrong." If money were not forthcoming from the Government or other sources, the situation demanded other means of dealing with Chrysler—not short of nationalising it.

Mr. Norman Atkinson (Lab, Tottenham) said that Mr. Wilson's answer about Chrysler made it imperative to concede to the request of TUC leaders for the introduction of import controls.

"The introduction of such controls would be a contribution to raising the level of world trade and towards the recovery of employment in this country."

Mr. Wilson replied: "I would not automatically accept that sweeping, swingeing and generalised import cuts would automatically increase the level of world trade. All past experience suggests it would reduce it.

"All leaders of the car industry believe that to introduce import restrictions on motor cars would lead to a fall in motor car production because of our exports."

Later, Mr. John Biffen (C., Oswestry) called for an early debate on the Government's financing of British Leyland "before we are deafened by lobbyists on behalf of Chrysler U.K."

Mr. Edward Short, Leader of the House, replied that he could not promise an early debate, and the Government was still considering the matter.

In reply to further questions, Mr. Short said he did not think this was the moment to debate Chrysler. The Government was considering when to debate the Commons Expenditure Committee report on British Leyland.

MP probes reserve assets build-up

TOTAL TREASURY bills outstanding at the end of June 1975, were £3,573m., Mr. Edmund Dell, the Paymaster General, told the Commons yesterday.

He was replying to Dr. Reginald Bennett (C Fareham) who asked if the Chancellor was concerned at the build-up of reserve assets in the banking system.

Mr. Dell stated: "I am certainly conscious of the recent rise in reserve assets in the banking system. But at present the growth of credit is limited by lack of demand.

"The Chancellor has recently reemphasised the Government's readiness to use the various methods available to the authorities to influence monetary conditions so as to fit the Government's overall economic policies."

In a reference to the future role of expansion of M3, Mr. Dell recalled that the Chancellor had recently stated that as the economy moved out of recession the demand for credit would revive.

"It could then well reach a level at which some further restraint will be necessary if the money supply is to be kept under control," he stated.

Tory peers relent—and Industry Bill heads for Statute Book

BY JOHN HUNT

THE 10-MONTH Parliamentary battle over the controversial Industry Bill, which established the National Enterprise Board and introduces planning agreements, came to an end last night when the Lords finally agreed to drop their amendments to the legislation.

The peers' decision to withdraw in the face of pressure from the Commons means that the Bill—which is the centrepiece of the Government's programme—will become law when the present "spill over" session of Parliament ends in about two weeks time.

Soon after the Bill goes on the Statute Book, the Government will publish a set of guidelines for the operation of the NEB—the body which will have the function of extending public ownership into profitable manufacturing industry, establishing new enterprises, assisting existing companies and promoting industrial reorganisation.

The Government has already published a consultative document on planning agreements. It is now considering the representations which have been made before deciding whether to issue a fuller expelanation of how the system will work.

The Lords recently passed a whole series of major amendments to the Bill which were reversed by the Government in the Commons last week. The peers last night accepted the Commons verdict.

Lord Beswick, the Leader of the Lords, declared that the amendments had resulted from the unbalanced character of the Upper Chamber. While the Conservative peers had a built-in majority, it was impossible to accept the verdict given on matters of principle in the Lords division lobby.

From the Conservative benches Lord Amory, a former Chancellor of the Exchequer, said that he did not share Labour's optimism about the future of the NEB.

"I would like to prophesy that the NEB will find itself in a few years' time with the most amazing ragbag of assets that one could visualise. I prophesy that within a short number of years, the NEB will require radical reorganisation.

Two of the most important Lords amendments prevented the NEB from establishing new industrial undertakings and from extending public ownership into profitable areas of manufacturing industry.

Reluctantly agreeing not to press the amendments, Lord Aberdare, for the Conservatives, said that the Government proposals were wrong in principle and would do nothing to contribute towards industrial confidence. "There is an absolutely clearcut difference of opinion between our party and the Government" he said.

The House also accepted that one of the purposes of the NEB should be the promotion of industrial democracy instead of the "good industrial relations and involvement of employees" which the Conservative peers had written into the Bill.

After considerable debate, the Conservative peers also agreed to drop amendments on the controversial clauses which make it compulsory for manufacturing companies to divulge information to their workers. This proposal had given rise to widespread fears in industry that confidential information would be leaked.

A series of amendments laid down that the information should be given to an employee of a company who need not be a rep- sentative of a trade union.

In its final form, the Bill n says that the information m be given to a representative the relevant trade union w does not have to be an employ of the company. This does n however, prevent a compa passing the information on others if it so wishes.

Minister urged to spell out U.K. fishing policy

FISHING AREA MPs protested in the Commons yesterday when they failed in their attempt to get a Government commitment on the future size of the British fishing fleet.

Mr. Edward Bishop, Minister of State, Agriculture, Fisheries and Food, told them it would be premature to assess the likely size of the fleet until present uncertainties had been settled.

Matters still to be decided included the 200-mile limits, common fisheries policy and attempts to continue access to other countries' areas.

Mr. Kevin McNamara (Lab. Hull C) claimed that Britain had no fishing policy at all while Mr. Enoch Powell (UUU Down S) urged the Government to take unilateral action over limits as other countries had already done.

Mr. Bishop said this would be quite improper and to proceed by general agreement was the only answer.

Mr. Douglas Henderson (S Aberdeenshire E.) told hi "The fishing industry is sick a tired of the kind of waffle have had from you. Are we be the last country in the wo to increase its limits?"

Mr. Bishop said that the L of the Sea conference was meet in February. "We belie in fixing our limits by agr ment."

He insisted that it was ve difficult to define the futu shape of the industry until so of the factors had been clear up. There were indications th they would be settled in t near future.

Slater Walker study could shed light on nation's problems—MP

A LABOUR MP suggested in the Commons yesterday that much could be learned about the country's economic difficulty by a study of Slater Walker.

During questions to the Prime Minister—on meetings with the TUC—Mr. Bryan Gould (Lab., Southampton Test) said "TUC leaders might learn a great deal more about our present economic difficulties by a close study of the operations of Slater Walker."

He added that the Tories would be better off supporting the Government, "rather than supporting the supposed virtues of the squalid, unproductive and irresponsible profit-taking which is practised by their own high priests."

Mr. Jack Ashley (Lab., Stoke S.), said that the TUC was far more interested in the general level of public expenditure than "the financing of whiz-kids" and the "massive shopping list" of public expenditure cuts to be handed to Mr. Wilson by Mrs. Margaret Thatcher, the Opposition leader.

Mr. Ashley commented that "when the shopping list is published, it will make a significant contribution to a basic human right—the right to be unequal."

Mr. Wilson said he had not received the list. MPs chuckled when he added: "Whether it is due to postal delays, I do not know."

Mrs. Thatcher invited the Prime Minister, in his next talks with the TUC, to point out that the Government would be borrowing more money next year, much of it out of their pay packets.

Mr. Wilson said that every trade union leader fully understood the Chancellor's explanation at the Labour Party conference, on public expenditure. "What we have not had is a similar degree of co-operation from you," he added.

Mr. Norman Lamont (C., Kingston upon Thames) said that the Chancellor's gramophone record had got stuck at the point where he said cuts in public expenditure meant further unemployment.

MR. BRYAN GOULD

Labour MPs cheered as Mr. Wilson retorted that the Conservatives' needle got stuck every time, "at the point just before they tell us what cuts they would make."

For instance, would they cut financial resources for the National Heatlh Service? "When I get an answer to that I shall begin to take them seriously," the Prime Minister added.

Mr. Peter Morrison (C. City of Chester) said that the Government had borrowed about £175 for every man, woman and child in Britain this year.

Mr. Wilson replied that the borrowing requirement could only be reduced if there was increased taxation, which he did not think the Opposition would want, or by cuts in Government expenditure.

Not only the Government but also the "so-called alternative Government" had a duty to say what cuts there should be in expenditure. "We haven't had a whisper out of them."

Mr. John Peyton (C., Yeovil) asked if the Prime Minister saw the danger of the Government borrowing its way out of trouble.

Mr. Wilson told him that the Chancellor had described the choices which had to be made, and the very painful cuts in the coming year's expenditure "out of most of which the Opposition will seek to make political advantage."

Low butter output queried

BRITAIN would produce only 6 per cent. of its total consumption of butter this year, Mr. Roger Moate (C., Faversham) said in the Commons yesterday.

He described it as a "remarkable achievement" by the Government that Britain "so rich in dairy resources"—had produced virtually no butter in September and very little in October.

Mr. Edward Bishop, Minister of State, Agriculture replied that the industry itself decided the allocation of milk for different purposes. "Butter is not the most profitable of the outlets."

The decline was not simply due to a fall in milk production but because more was being used for liquid consumption, cheese and other products, he added.

Insurance Bill: a five-year review

By Justin Long, Parliamentary Correspondent

THE GOVERNMENT last nig tried to ease the final stages Protection Bill by introducing the much-criticised Policyholde Protector Bill by introducing the Commons machinery to r view the working of the legisl tion after five years.

This attempt to forestall mo drastic proposals for limiting t life of the Bill itself rous indignant points of order as Mi isters prepared for a late sitti to ensure a third reading.

Mr. Clinton Davis, Parliamer ary Secretary for Trade, mai tained that the doubts express on both sides about the wh principle of the legislation duri its journey through both Hous were unfounded.

The Government believed essential that policyholde should have the help offered the Bill—help which would b provided by a compulsory lev on the insurance industry.

The Minister pointed out th the Bill had been refined i many material ways by th many amendments already mad to it. But he considered that th principles on which the Govern ment had introduced the Bi had been retained.

The amendments put forwar from the Labour side t bring the scheme to an en within five years, were unnece sary and wrong, he told hi backbenchers.

But because the Governmen realised the reservations tha some MPs had about the Bill, i had sought to meet thes anxieties by providing procedur in the legislation for reviewin the efficacy of the Bill after reasonable period of time.

The new clause he introduced would enable the Bill to come again before Parliament in five years' time when MPs could make a further judgment on i in the light of its operation.

"I believe experience wil show we are right to have thi long-stop measure," declared Mr Davis—meaning the Bill itself—when he stressed that the new clause was as far as the Govern ment could reasonably go to meet the anxieties expressed.

In spite of the Minister's assur ances, the new clause was taken to a division. Opposition to it was rejected by a Government majority of 18 (183-115) and it was added to the Bill.

Dipped headlights move faces defeat

BY RICHARD EVANS, LOBBY CORRESPONDENT

THE GOVERNMENT'S proposal to make the use of dipped headlights compulsory at night on all roads from November 17 is likely to be rejected by MPs in the Commons next week.

Following widespread criticism of the regulation laid by Dr. John Gilbert, the Minister of Transport, the Government's Whips have decided to allow a free vote among Labour MPs next Wednesday.

Protests have centred not only on the wisdom of the move from the safety viewpoint but also on the lack of Parliamentary consultation and the speed with which it has been introduced.

Conservatives have tabled a motion condemning the regulation and calling on the Commons to reject it in order to ensure further consultation. All the indications are that a sufficient number of Labour MPs and others will vote with the Conservatives to ensure that the regulation is withdrawn.

The Ministry of Transport introduced the regulation after consulting 130 organisations which came down overwhelmingly in favour of the use of dipped headlights. But other motoring authorities and leading police experts do not believe the safety benefits have been proved.

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Turner, Newall open two new factories

BY RAY DAFTER

TURNER AND NEWALL yesterday opened two new plants in the North West, representing a total investment in excess of £5m. At the same time, Mr. Stephen Gibbs, managing director in charge of manufacturing operations, disclosed that the group was considering building two further plants at a cost of more than £4m.

A new £2m. works at Halton, near Widnes, is the first of a series of regional units planned by the group's subsidiary, TAC Construction Materials, to manufacture lightweight aggregate and concrete blocks.

The plant, now in the commissioning phase, is planned to serve markets in the North West. Two similar units, probably including one in the South East, are in the planning stage although it might be 1977 before the schemes are authorised.

The other plant opened yesterday was a £3.25m. unit built by TBA Industrial Products to produce continuous filament glass fibre. Sited at Hindley Green, near Wigan, it is anticipated that the production facility will bring about 100 new jobs to the area.

Mr. Wilfred Newton, T. and N. managing director responsible for corporate planning, said the investment was in line with the group's policy of concentrating on projects which improved productivity and reduced costs.

Mr. Gibbs said it was the group's role to make and supply materials for other industries. While it was intended that the company should build on its existing expertise, "our technologies can take us into many new markets; our marketing experience can induce us to enter new technologies."

It was anticipated that the new TAC Construction Materials facilities would be fully operable in time to take advantage of a recovery in the building industry, probably some time next year.

Newspaper advertising aid opposed

BY MICHAEL THOMPSON-NOEL

STRONG opposition to the idea of a central share-out of advertising revenue to aid ailing newspapers was voiced by the Guild of British Newspaper Editors yesterday.

Mr. Michael Finley, editorial director of the Kent Messenger and chairman of the Guild's Parliamentary and Legal Committee, told the Royal Commission on the Press in London that such a scheme would siphon off money from regional papers to the national Press. The Guild represents editors of provincial newspapers.

Mr. Finley said the Guild's feeling was that public discussion of Press economics focused almost entirely on Fleet Street and the problems of the national Press.

At present, the regional Press enjoyed the biggest share of total advertising revenue available to the whole of the media. Thirty per cent. went to the regional Press and just under 18 per cent. to the national.

"The overwhelming bulk of the revenue to provincial newspapers derives from provincial sources."

The Guild could not detect any general evidence of an over-abundance of money available to the Press, so that any scheme which merely redistributed available revenue, rather than enlarged it, would lead to a debasement of Press standards, particularly editorial standards.

Irrelevant

The example of the Scandinavian Press was irrelevant to the U.K. The problem in Britain was that of ailing national newspapers; in Norway it was one of ailing regional papers.

On the question of Press monopolies, Mr. Alastair Stuart, chief London editor of Thomson Regional Newspapers, said that while it seemed logical that large Press groups posed a threat to the diversity of public opinion, there was no practical evidence to support this.

"The present monopoly legislation has coped with the situation in these areas and we propose no amendment to it." The old-fashioned "Press Baron" no longer existed.

"In fact, the financial strength of major groups is responsible for the survival of some newspapers that might not have survived." These groups had also launched new newspapers and revitalised old ones.

Mr. Keith Whetstone, editor of the Coventry Evening Telegraph, said the Guild saw no case for setting up a second national news agency in addition to the Press Association.

A service like the PA could only be as good as its finances allowed, but there was no evidence to show that a second national news agency would improve standards.

In a discussion on privacy, Mr. Finley said the Guild believed there were certain people who "by their public activities rendered themselves liable to intrusion in their private activities."

Public interest

Mr Gordon Page, another Guild witness, told the Royal Commission that newspaper investigations which proved to be in the public interest could not always be shown to be so at the outset.

● The Royal Commission yesterday issued its first working paper, New Technology and the Press, a study of experience in the U.S. written earlier this year by Mr. Rex Winsbury of the Financial Times. Mr. Winsbury is at present the Thomson Fellow at the University of Strathclyde.

Newspaper publishers in the U.S. benefit from a greater sharing of experience and information than they do in Britain, Mr. Winsbury says. British newspapers—and Fleet Street in particular—may not be at a disadvantage in coming late into technological change.

U.S. papers slower to introduce such changes have often benefited from a cautious and pragmatic approach. This has involved bringing editorial people into positions of control over planning for change.

The Americans are several years ahead of anyone else in Press technology—although the final goal of the completely automated newspaper is still some way off.

He criticises the "rough methods" of some publishers there in dealing with the unions. Often there is no attempt at systematic joint consultation before a change is made.

The paper is published by the Stationery Office, price 85p.

The Executive's World

EDITED BY JAMES ENSOR

James Ensor describes an American attempt to rid industry of the bitter divisions between manager and worker

A new philosophy succeeds at the 'blueshirt' plant

"THE men here work four and a half hours in an eight-hour shift—then they stop and sit around. It's all the result of restrictive practices built up over the years and embedded in the system. The plant committee, here, was very aggressive, particularly until piece-work was thrown out; and management conceded the demands every time. We had a 13-week strike when we changed to piece-work, but since then we have had walkouts for a day or two over suspensions and that kind of thing. But over-manning and protective agreements are very common; typically we have five operators for five machines where only one is really needed to operate all five."

This is not a hard-pressed manager of an engineering plant in the British Midlands talking but the manager of Eaton's axle plant in one of the old "ethnic" areas of Cleveland, Ohio. Evidently the problems of working environment and morale differ little between the old run-down areas of U.S. industry and similar places in Britain.

Absenteeism

Absenteeism, which runs at an average 8 per cent., throughout the year in Cleveland is worse than in most places in Britain. Racial antagonism in the plants also appears to be a more serious problem as does the incidence of "organised crime" for Cleveland is a Mafia stronghold. But for the rest, the problems of overmanning, embittered attitudes, walk-outs and lack of understanding have a familiar ring.

Eaton, however, unlike most British companies faced with similar problems has worked out an apparently effective and enduring solution which is steadily if slowing reducing such problems in its manufacturing programme. The solution is known, at Eaton's Cleveland headquarters as the "New Philosophy" plant for want of a handier sobriquet. It was found, not through any analysis by professors from the Harvard Business School or New York psychologists, but developed organically from Eaton's middle management.

At first, most of the senior executives and a good many of the plant managers at Eaton, one of the largest U.S. automotive component and industrial truck manufacturers, were highly sceptical of the idea. Some still are: but Mr. Mandell de Windt (known to everyone as Del) the board chairman has become a fairly enthusiastic convert to the idea. And with de Windt's backing, the "New Philosophy" programme is in full swing in the States — though Eaton is still hesitant about introducing it in Europe.

The "New Philosophy" began seven years ago when the manager of Eaton's old, engine valve plant at Battle Creek, Michigan determined to prevent the bitter antagonisms which had developed there spreading to a new facility. A brand new plant was planned for the wide open wheatlands of Kearney, Nebraska deep in the American mid-West, and it seemed to provide a good opportunity to think out a new managing philosophy towards the people who would work there, as well.

The managerial staff at the Michigan plant and some of the labour relations and personnel experts at the Cleveland headquarters were asked to work out a systematic approach which would avoid these problems. As Mr. Donald Scobel, the man most closely associated with the "New Philosophy" explains "a group of us brainstormed: we locked ourselves into a room for several days; and spent one whole day writing down every employee procedure that we could think of. Then we examined each one individually and asked ourselves why we did it."

He adds that all the traditional working procedures such as probationary periods, time-clocks, production related pay, disputes procedures and plant communications were analysed and questioned. "After a couple of days" he says, "it became rather an exciting process. We had all jumped to an empathetic view of the situation and were saying 'now why do we have that?'"

Mr. Scoble likes to illustrate the "New Philosophy" by saying that "we were trying to bottle the Hawthorne experiment." The famous classic of work-place sociology stems from a General Electric plant at Hawthorne, where sociologists were trying to discover the effect of lighting on production rates. Much to their surprise, production rose each time the sociologists arrived at a section of the plant to conduct their studies, no matter whether the lights were brightened or dimmed.

Don Scoble feels that it is a tragedy for American industry that the lessons of Hawthorne have been largely ignored. What is commonly understood at the executive level—that is that an understanding and responsive attitude improves results, is only rarely applied at the worker level. Basically, the new philosophy of Eaton is to treat its machine operators like executives.

System

Of course, there is nothing very novel about the Eaton approach. IBM and General Foods in the U.S., John Lewis and Marks and Spencer in the U.K. have long adopted a system of treating employees alike and backed them up with consultations and open dialogue between worker and manager. But this system is still not in general use in the engineering industry in either Britain or the U.S.

The new philosophy, as Eaton has developed it, certainly depends upon a new facility, preferably in a small town, agricultural atmosphere where *the minds of the workers have* not been hardened by traditional working practices.

Paul Miller and Del de Windt with plans of Eaton's new philosophy plant at Humboldt, Tennessee.

In the past five years, Eaton has built 13 or 14 such plants, in rural communities ranging from Nebraska and Iowa in the West to Kentucky and Tennessee in the South and North Carolina and Georgia in the South-East. The typical size is very small, with no more than 400 to 500 employees at full capacity. They are situated in quiet little market towns, mostly of a few tens of thousands of inhabitants, and Eaton draws much of its labour from the continuing shake-out in American agriculture as small farmers sell up their holding or take on a job to supplement their income.

Each plant is described as "a blueshirt job" which in the American jargon means that it *consists only of working men*, with perhaps a handful of managers and a few secretaries. Engineering, design, sales and planning continue to be centralised at the traditional Eaton locations and the "blueshirt" managers are responsible only for employee relations and production planning.

Every one of the new philosophy plants is non-unionised since under the American system, unions can only be represented in a plant when the majority of employees vote in favour of it, in secret ballot. But as Scoble explains: "We said to the men at Kearney 'If you're taking this attitude to keep the union out . . . forget it. Let union representation be a by-product of the successful system'."

The new philosophy starts with the hiring system for *employees—the word worker is* hardly ever used. Instead of putting a man on 90 days probation, typical at older plants, he is hired outright, just like a manager. Typically, he will be shown around the plant by another line worker—indeed these men conduct all visitors around whether they be journalists or local politicians. Once hired, he earns a fixed salary—rather lower than in the old industrial locations like Cleveland but high for the rural region—which is paid whether or not he is able to work. There are no time clocks, but workers are expected to produce a carefully established output, which is based on work measurement.

Four weeks of training in operating machine tools is followed by a job—which in most of these Eaton component plants means manning a sophisticated machine tool or a foundry or forge press. Some efforts have been made to make the plants cleaner, quieter and lighter than the old, dark engineering works, but the Eaton plant at Glasgow, Kentucky, at least in this respect, hardly compares with the best of the new Swedish plants such as Volvo's at Kalmar or Scania's at Sodertalje.

The real secret of success of the new philosophy plants, lies in the attitude taken to communicating with the employees. Manager round tables where workers from each department, chosen in rota, can gre questions at their bosses: uniform office and factory benefits; hiring procedures which start with coffee meetings for workers and their wives at the plant—all contribute to a new and different atmosphere.

Questions

At round tables, which are held every month and last a full day, anything and everything is discussed. Many of the questions relate to day-to-day production problems and ways in which output may be improved. Others cover the kind of trivialities which are discussed at any club committee meeting—such as why the coffee in the machines is so weak or the wash basins too dirty. And a few of them expose genuine grievances in manager-employee relations or highlight fears among the workers about the future of their jobs.

The counselling approach, which Don Scoble describes as "biblical" in its attitude, is time-consuming and demanding of managerial talent. In a large number of cases, managers designated to the new philosophy plants have not been able to shake off old habits and traditions of a life-time, and some have had to be replaced. Most of the managers were initially highly sceptical of the whole approach and so were the directors. As the president Mr. Paul Miller robustly puts it: "When I first heard about it, I thought somebody had flipped a lid."

There can be little doubt that the system is now working well for Eaton, although it is hard to prove the point directly. The workers certainly like it, and 10,000 people recently answered an advertisement requiring 300 to work in Glasgow, Kentucky. The fact that workers stay in the plant after hours to play volleyball or that the day shift workers look in during the evening to help the night shift sort out any problems is indicative of a high degree of morale. And when the Glasgow workers recently completed a pavilion outside their plant — with material supplied by the company—they dedicated it to the plant manager.

All the statistics of absenteeism, labour turnover, maintenance rates, scrappage for defects and safety standards tend to be better at the new plants than the old. The strike record is effectively zero, and when volunteers were called for at one or two of the plants for short time, far too many applied. But this may be a reflection on the Kentuckian's pleasure in free time during the hunting season rather than a desire to help management out of a tight corner.

In some cases, safety and accident statistics, initially good at a new plant, have deteriorated markedly in later months. Scoble explains this by the worrying tendency of "productivity getting to be too much the name of the game" as the men compete like "Stakhanovites" in Stalinist Russia to beat the latest production targets. In one plant, records were consistently set during the foreman's holiday—proving a neat political point.

Right

De Windt, at least, is convinced that new philosophy is the right way to go. He has openly used the higher production rates and lower wages of the new plants as a threat to workers in the old, embittered locations like Battle Creek and Cleveland. In a few cases, the old plants have been closed down, and in many more work has been transferred to the new. During the current recession in the truck business, Glasgow, Kentucky works flat out whilst an old plant at Cleveland is on short time. But now, the new philosophers are turning their attention to introducing at least some of the ideas in the more promising of the unionised plants.

Hamlyn tweaks again

BY MICHAEL THOMPSON-NOEL

AT 49, Paul Hamlyn is still the *enfant terrible* of the publishing game—a showman and a salesman who is never more at home than when tweaking the industry's nose by pulling new schemes from the hat as fast as his rivals can blink.

Yesterday's launch of the St. Michael Family Library was typical. Via Sundial Publications, the company he owns in partnership with David Frost, Hamlyn has pulled off yet another coup by launching a range of nine St. Michael titles for direct sale through selective Marks and Spencer stores.

The plan, says Hamlyn, is to reach the vast numbers of people who have probably never stepped inside a bookshop in their lives. "I'm a communicator and I regard the St. Michael deal as a fascinating breakthrough, for stimulating the public's interest and awareness of books must be beneficial to the booktrade as a whole. The notion that the British are great book-buyers is a fallacy."

The first nine St. Michael titles are predictably cosy. They include "The St. Michael Book of Handicrafts," "All-time *Movie Favourites*" and "The *Colourful World of Horses.*" It would be easy, but arrogant, to sum them up as coffee table volumes for the council estates. The point is that all are supremely well produced, will cost only £1.99 each and will probably sell in hundreds of thousands.

In the meantime Paul Hamlyn's main company, Octopus Books, is clicking up sales at such a rate that in the past three years—it was launched in August, 1972—it has grown into what is probably the third largest trade publisher in the U.K.

Octopus is the imprint Hamlyn launched after eight mainly unhappy years in the corporate jungle. In 1964

Mr. Paul Hamlyn

Hamlyn, an ex-Bevin boy and German refugee who once worked as an office boy on Country Life, sold his then-booming Paul Hamlyn Books to what was the International Publishing Corporation for £2.275m. He had started out with a £350 legacy 16 years earlier.

The deal with IPC made him one of the largest private shareholders at IPC, but Hamlyn was a crusading opponent of the take-over in 1970 by Mr. Don (now Lord) Ryder's Reed Group and left IPC to join Rupert Murdoch's News International. He remains a firm friend of Mr. Murdoch but in November, 1971, Hamlyn's urge to quit the corporate wilderness and get back to what he loved best—the publishing and selling of books—led to the launch of Octopus.

Turnover at Octopus has grown from £1.8m. in 1972 to an expected £6m.-plus now—but as Octopus operates a unique marketing deal with W. H. Smith, which has the exclusive right to wholesale his books and therefore handles the entire warehousing and selling operation, leaving Octopus free to concentrate on editorial production, the annual retail turnover of Octopus books is probably now running at around £20m. (Similar distribution deals have been made by Octopus in foreign markets.)

The wholesale value of Octopus exports has gone from £900,000 in 1972 to above £4m. and by the end of the year Octopus will have produced around 300 titles since start-up and sold over 20m. books—80 per cent. to the big English-speaking foreign markets although it is now selling in France, Germany, Scandinavia and Holland, too. Its pre-tax profit last year was £417,000.

The books that Octopus sells are the sort of high-quality, high-value glossy colour leisure titles that made Paul Hamlyn one fortune and are now conjuring another. "I'm often accused of being a mass-marketeer, not a great literary publisher, but the latter would be easy: I'd pinch the four best editors in London, pay higher authors' advances and . . . become a great literary publisher."

As a *communicator*, then, Hamlyn derives great pleasure from the fact that books from Octopus on art-nouveau, Egyptian mythology and seashells should sell 300,000 copies each.

He spends up to £100,000 a year on promotion in the U.K., including television and radio advertising—the only British book publisher to do so—and in its search for high-quality printing (Octopus originates over 10,000 colour pages a year) the company has struck up printing deals in Hong Kong, Italy, Czechoslovakia and Holland as well as the U.K.

But not everything is pleasing Mr. Hamlyn, who this week spoke with devastating scorn of the "utter lack of help from governments and banks extended to the entrepreneur."

"At a time like this the worst-hit people are the close companies." (Hamlyn owns 96 per cent. of (Octopus.) "You can sell out to a bigger company, or go public, but I've no intention of doing either. Companies like mine are supposed to take all the currency and credit risks but nothing is done to encourage us."

With a background of three years' trading and £10m. worth of exports, £4m. invoiced between January and October this year, Octopus asked the Export Credit Guarantee Department for cover for six of its main customers.

In all six cases the ECGD's assistance was minimal. The low point was reached in the case of an American public company with profits of over $80m. annually. Octopus was asked to obtain guarantees of payment from the parent company. "If we had attempted to do this we would have been shown the door and lost future contracts of well above £2m.," says Hamlyn.

In the case of an Australian public company with whom Octopus's turnover since 1973 has exceeded £1.6m., of which less than £200,000 is currently outstanding, Octopus was asked for full audited financial statements and offered only up to £150,000 cover.

"I love the work," says Hamlyn. "I spend 40 full days a year in aeroplanes expanding our export business, which accounts for over 70 per cent. of turnover, and would undoubtedly carry on in some way if my tax rate was 102 or 110 per cent. instead of 98. But help? We get nothing. Encouragement? We get nothing. It is tempting for a closed company to climb back into its home-market shell, but is this really what the Government is trying to encourage?"

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FRIDAY, OCTOBER 31, 1975

A policy for industry

THE GOVERNMENT is now under increasing pressure to give some clear shape to its industrial policy. The Industry Act has passed the Lords, the first strategy meeting at Chequers is less than a week away, and the future of Chrysler poses an urgent practical question—the first possibility of the collapse of a relatively major company since the change of regime at the Department of Industry. The latest reports from the shipbuilding industry suggest that a second dilemma of this kind may soon become pressing.

Public health

Mr. Eric Varley has repeated that his broad aim is to concentrate public help on industries with a prospect of future success. This is an admirable statement of ends, if a little short on means: Mr. Varley presumably intends to pursue what he would regard as a more long-sighted investment policy than he thinks the private sector is willing to do, and wait for rewards well over the horizon—a policy whose success cannot, by its nature, be judged until it has been pursued for some time. He has so far, in the relatively minor cases of Norton Villiers and the Scottish Daily News, shown that at least he knows how to refuse aid to failures, but that is only the negative half of his policy. The constructive half is more difficult.

The most detailed contribution from the official side to the task of defining the problem is an economic paper from the NEDO staff. This is a rather sketchy piece of research so far, as its authors admit, but it has already progressed far enough to raise some awkward questions about the whole concept of "selective support." Broadly, the paper suggests that the problem consists not so much of growing and declining industries as of efficient and inefficient firms.

It is the inefficient firms which are likely to approach the Government and the National Enterprise Board, as the Chancellor and Lord Ryder have admitted: the problem of deciding whether an individual case represents surplus capacity which can well be spared even in the long run, or is a victim of the business cycle or readily corrected management faults must remain a difficult matter of judgment, which cannot be settled by slogans. It is a particularly difficult decision at a time of deep recession, when private buyers for under-used productive assets are hard to find, and the political temptation to preserve jobs is strongest. This leads NEDO to the view that the Government will require a detailed industrial development strategy to guide its decisions.

Such a strategy can help to clarify the vital difference between development and mere job protection, but it can also be a way of making one's mistakes consistent; perhaps the most welcome news is the declaration, through hints and omissions, that present plans for State intervention are greatly scaled down from last year's rhetoric.

Lame ducks

While the State may have a limited role to play—the latest figures from Rolls-Royce and the performance of ICL suggest that not all lame ducks need be cripples for life—private enterprise, responding to market pressures in a stable monetary environment, must remain the main source of growth in a mixed economy. Here the NEDO analysis is full of hints which are not followed up: For example, the fact that Britain lags behind France and Germany most notably not in investment or productivity, but in the growth of home demand. The fact that growth is hampered when the rewards of work and enterprise—not least work on the shop floor—are systematically taken away to leave room for more public spending appears clearly in the figures, but nowhere in the text. The Government critics on its own Left may also note with interest that the growth of public spending itself is thereby held back. Sound economic policy is still the prerequisite for successful industrial policy, and could make a State policy for industry largely redundant.

Doubt over the U.S. recovery

ONE OF the main objectives of Britain and a number of other European countries in the international debate about the depth of the current recession has been to exert pressure on the governments of the strong economies—notably the United States and West Germany—to reflate faster, and thus drag the rest of the industrialised world in their wake. But when the economic summit meeting opens at Rambouillet in a fortnight's time, the Washington delegation will be able to argue with some force, on the evidence of their third quarter GNP figures, that the recovery is already well under way in the U.S. and that there is no case for further stimulation on international grounds.

Inventory

There is still room for doubt over the strength and the durability of the American recovery, however. Though the growth in real GNP (11.2 per cent. at an annual rate) is the fastest for 20 years, it is mainly due to changes in inventory levels, while the growth of final sales was marginally down on the second quarter. Business investment showed an encouraging turnround, from a drop in the second quarter to a small increase in the third. But the President's Business Advisory Council is taking a bearish view of the underlying trend for investment, partly because of the cost of anti-pollution controls, partly because of the adverse impact of inflation on company profitability. Inflation is far less serious in the U.S. than in the U.K., of course, but the September retail price index represents an increase of 0.5 per cent. on August, and brings the seasonally adjusted annual rate of increase up from 7.1 in the second quarter to 7.3 per cent. in the third quarter.

Doubts over the durability of the recovery have been reinforced by the dip in the Commerce Department's index of leading indicators, reflecting declines in total liquid assets and in orders for plant and equipment and an increase in layoffs. In any case most forecasts suggest that the period ahead will show much slower expansion than the third-quarter surge, and the Business Advisory Council's estimate of real growth in 1976 corresponds closely with the OECD forecast of 5-6 per cent.

Election year

In the context of domestic American politics, the question which remains unanswered is whether, in an election year, this rate of recovery, even if it carries through to the end of 1976, will satisfy Congress, the President, or the voters. There seems to be some prospect of a further slowdown in the rate of inflation, but unemployment is expected to remain uncomfortably high in the region of 7 per cent. On the other hand, there can be little doubt that Congress will accept the President's proposal for extending this year's tax cuts, and will probably reject his parallel proposal for a corresponding reduction in public spending.

At the same time, yesterday brought further evidence of relaxation of the Federal Reserve's monetary policy—and it should be remembered that Mr. Arthur Burns played an important role in the re-election of President Nixon in 1972 by his very rapid expansion of the money supply.

For the European economies, however, the outlook is considerably less cheerful than it is for the U.S. The OECD has repeatedly revised its European economic forecast downwards during the course of this year, and its latest figures (which may yet be revised again before the summit) suggest that growth in the European area will be only 2 per cent. next year and that unemployment will continue to rise. Some of the European governments at Rambouillet may not be satisfied that the U.S. is doing enough to fight the recession, especially in the light of its very large trade surplus.

The stocktaking 10 years on from Rhodesia's UDI

From BRIDGET BLOOM in Salisbury

ON NOVEMBER 11, White ruled Rhodesia will celebrate ten years of independence. The event will no doubt be met with rejoicing and self-congratulation among the ruling Rhodesia Front leadership. But for many Rhodesians, Black or White, and certainly for the neighbouring governments in Lusaka and Pretoria, Lourenço Marques and Dar es Salaam—even for those as far away as Whitehall—the day will be one for sombre stocktaking.

There is no need to go back as far as January 1966, and Mr. Harold Wilson's determined statement that the Whites in Rhodesia would be overcome in "weeks not months," though Mr. Ian Smith's durability then held—and still holds—lessons for the future. In today's depressing scene in Southern Africa, one thing stands out: despite, concerted efforts, for the first time, by both Black and White leaders in the area, and despite the vastly changed circumstances which have resulted from the Portuguese withdrawal from Southern Africa, a peaceful settlement to the Rhodesian problem seems as far away as ever.

Almost a year ago, following the most extraordinary and secret contacts between Mr. John Vorster, South Africa's Prime Minister, and President Kenneth Kaunda, of Zambia, Rhodesia's African Nationalist leaders, jailed a decade previously by the Rhodesian Government, were released. Within the next month Mr. Vorster and Dr. Kaunda had succeeded in getting Mr. Smith and the nationalists to the point where their respective "clients" had agreed to a ceasefire, and to sit round a table to negotiate a peaceful settlement of Rhodesia's future.

Ceasefire was inoperative

Except in the most formal sense, those negotiations never got started, and the ceasefire was inoperative. In the last year, the fragile unity of the Rhodesian Nationalists has been shattered and Mr. Smith's obduracy in the face of demands for majority rule remains unshaken. In Pretoria, Lusaka, Dar es Salaam and Lourenço Marques—and perhaps in Whitehall—there has been, over the past couple of months the dawning realisation that Rhodesia is once again deadlocked.

In some of those capitals, at least, new strategies are being actively worked out in an attempt to break the impasse: They include, on the part of the African presidents, who have put so much effort into the detente exercise of the last year, a determination to encourage and back new leaders of the Nationalist cause in Rhodesia, even though that must mean a stepping up of guerilla warfare.

Mr. Vorster, too, for different reasons, is certainly wondering about the possibility of a change in Rhodesia's White leadership, though no one can yet foresee the results.

The aim, on both sides of the Black-White line in Southern African detente, is to loosen the logjam.

There are two main reasons for the failure of detente in Rhodesia. The first is the fragility of the unity of the African National Council, from the beginning an uneasy amalgam of the former Zanu and Zapu parties under the umbrella leadership of Bishop Abel Muzorewa. Now split into two factions, with Mr. Joshua Nkomo claiming the leadership inside Rhodesia and the Reverend Ndabaningi Sithole and Bishop Muzorewa heading the organisation outside, the ANC barely got past first base after its formation last December. Its leaders have been unable to agree either on who, in terms of personalities, should lead, or on precisely what terms should be negotiated with Mr. Smith.

The second reason for failure is the obduracy of Mr. Smith, who, it now seems quite clear, has had no intention if he could possibly help it of negotiating anything remotely approaching the majority African rule which was the minimum the ANC could accept. It could be argued that Mr. Smith might have been more prepared to negotiate had Mr. Vorster, in addition to withdrawing the South African military force, used economic sanctions to greater effect. But even that would not have cured the ANC divisions, which is the principal reason why Mr. Smith has been able to concede nothing.

From the evidence of a month's travelling throughout Southern Africa it would seem that the external partners to detente have come to the uncomfortable conclusion that there can be no progress on Rhodesia as long as Mr. Smith and the Nationalist leaders remain in their present positions. Whether or not this signals the end of the co-operation on Rhodesia between South Africa and the Black African presidents depends mainly on whether one leadership or the other can be changed peacefully. And on the face of it, this looks unlikely.

It is now being taken for granted in the Black African capitals that the split within the ANC is irrevocable. Mr. Joshua Nkomo, the former Zapu leaders, and the Reverend Sithole of Zanu have been political enemies for over a decade and, in addition to the now formal split, such has been the slanging match between the two over the past few months that it seems impossible that they should again make common cause. As for Bishop Muzorewa, it is widely felt that the man chosen last December as a compromise leader has, by failing to hold the ANC together, become politically irrelevant.

Given this, and given the continuing stubbornness of Mr. Smith, there are two possible (if not very probable) peaceful ways out of the current deadlock. One is that Mr. Smith should reach a settlement with Mr. Nkomo, now heading the ostensibly more moderate faction of the ANC. The other is that Mr. Smith himself should give way to a new White leader readier to do a deal with one or other factions of the Black Nationalists.

There is undoubtedly a residual hope in Lusaka and Pretoria, in particular, that Mr. Nkomo will be able to do a deal with Mr. Smith. The sort of deal both have in mind (I found no one, outside the Sithole-Muzorewa faction of the ANC, who believed that Mr. Nkomo could settle for less) envisages a transitional government with a Black majority of at least one, leading within a year or two to an "independence" election which, while based on a qualified franchise, would nonetheless produce a Black majority.

But there seems no reason why Mr. Smith, whose troops are currently said to be doing very well against the guerilla fighters, should accept such terms. Over the past ten years, he has kept Rhodesia's illegal independence going by always playing for time. Now, with the ANC divided, and with Mr. Nkomo's former colleagues constantly accusing him of treachery to the Black cause, Mr. Smith has the whip hand. He will probably talk to Mr. Nkomo and is likely to draw out the talks for as long as possible. He will probably try, and will quite likely succeed, in playing a cat and mouse game with Mr. Nkome pounding on and discrediting the veteran African politician when he feels the time is ripe.

If the chances of Mr. Smith's agreeing with any of the Nationalists seem remote, for the time being so too does Mr. Smith's own removal from the scene. There may have been pointers to such an event in the past few months: there can be no doubt, for example, that Mr. Vorster and his colleagues have become extremely impatient with the Rhodesian leader, and in their own minds they almost certainly have one or two candidates whom they believe could do the job more amenably.

Rumours of Mr. Smith's impending resignation were rife here last weekend. They were believed to emanate from South Africa, and were as roundly denied as devaluations, before they happen, are in Downing Street. In an interview last December, Mr. Smith said that he would be ready to resign if he felt that it could help his country. But now there is no evidence that he—or his colleagues in the Rhodesian Front, whose Congress only a month ago showed it to be moving, if anything, even further to the Right—feels that way.

It should be clear within the next few months whether anything will "give" to ease the logjam in a peaceful direction, but meanwhile the Black African presidents, despairing of a peaceful settlement under present conditions, are preparing for an alternative which in the medium term can only lead to a stepped-up guerilla war.

Their argument is simple if stark. The past year, they maintain, has failed to produce a peaceful settlement mainly because the African Nationalists were divided and were therefore unable to back
up in any credible way t
threat to resort to war if r
tiations failed. The stra
they are now planning i
make that threat not
credible but a reality.

To do this the Rhode
guerilla fighters in camp
Zambia, Mozambique and
zania must not only be be
trained and equipped: they
be led.

Drawing on the Mozamb
experience, the African p
dents have unwillingly
probably irrevocably com
the conclusion that none
Rhodesia's currently kr
Nationalist leaders (and
includes the second and t
and even fourth ran
officials) is capable of lea
in these new circumstance
Just as eventually Sa
Machel, a fighter, emerge
lead Frelimo, so they are
looking to the emergence
new Rhodesian leadership
among the guerillas themse

Guerillas split

If it is implemented,
ramifications of this p
could be immense. First,
abandonment of the old lea
ship and the attempt to fi
new one is bound to take
—years rather than mo
The old leaders will not
in without a struggle, while
guerillas themselves have
only been weakened in the
year of detente but have l
split by the leadership strug
originally outside their ra
Internecine fighting last
caused the deaths of m
while the murder of
Herbert Chitepo in Lusaka
March, which resulted in
imprisonment by Zambia
over 50 guerillas, publ
showed how deep their divis
had become. Whether the
which were partly tribal, pa
personal and partly ideolog
—can now be overcome rem
to be seen. Certainly a
leadership will not em
easily, and it is unlikely
emerge without having s
effect—as the leadership st
gles within Frelimo ha
temporarily divisive effect w
in the Tanzanian cabinet
the "host" countries.

In the short term, gra
implementation of the
policy is bound to be to
advantage of Mr. Smith. W
Rhodesia could well celeb
an 11th, 12th and and eve
13th anniversary of UDI w
out feeling that it is in da
of imminent defeat. But w
the reckoning comes, it is li
to face a much tougher, m
more determined and m
more radical opposition tha
can presently believe. To-d
Rhodesian politicians—W
and Black alike—may then
wish that they had seized
opportunity of detente
sensibly negotiated a settlem
of their differences.

Mr. Ian Smith in celebratory mood recently in Salisbury's Cecil Square at a ceremony to mark the city's 85th anniversary. November 11 will see more celebrations after 10 years of independence, but behind them many people in Rhodesia and elsewhere will be in sombre mood.

MEN AND MATTERS

IMI trainers for Tanzania

The Institute of Directors, as I pointed out yesterday, has its problems, and hearing that the Irish Management Institute is about to lose half of its establishment staff to Tanzania I thought, is this yet another institute with difficulties? But apparently not so: the fact that 15 out of the 32 "trainers" (as IMI calls its teaching staff) are off to Africa is regarded as an accolade — even if it leaves the home team rather thin on the ground in the meantime.

The IMI is in fact a strangely hybrid body, but a successful one. The best description of it is a cross between a management consultant and a business school: it has a contract with Trinity College Dublin under which MSc degrees in management sciences are awarded by the university on courses run by the institute, but it believes in doing most of its work not in classrooms, but working with adult management students in their normal working environment.

The trainers are off on a two-month assignment in Tanzania to work within the President's office to impart management techniques to something like 60 of the top Tanzanian officials. At the same time the director-general of the institute — Ivor Kenny — is also away for a few weeks, but his mission is to South America. He is attending a world management congress in Caracas, Venezuela, where he will be presenting one of the main papers (and no doubt negotiating on the side for yet more work for his staff).

"I'm afraid they're making their point on devolution."

Marketing

A man goes into a shop and is amazed to see it stacked with nothing but salt. "Boy, can you sell salt!" he said to the owner. The owner replied: "No! I can't sell salt, but the man who sells me salt, boy! can he sell salt."

Narby's target

From his background, Frank Narby could look and sound Canadian, Swiss or even Egyptian. Everyone who has come into contact with him—including directors of the Furness Withy shipping group, who have little reason to be friendly, and union representatives—agree he seems the epitome of a polite Englishman. In fact, he was born in Cairo of an Egyptian father and an English mother, spent his formative years here, went to Canada later and took Canadian citizenship, and now lives in Switzerland.

So Narby, 47, can be called cosmopolitan, and so can his business, based on Eurocanadian Shipholdings, registered in Bermuda, and Intercast, a Swiss company. Financial details have been sketchy, though profits seem to have averaged around $10m. to $12m. over the last three years. To-day Canadian National Railways is injecting $12m. in return for an 18 per cent. stake in the grouping.

Narby's family will then hold 61 per cent., with the final 21 per cent. owned by Helix Investment Trust, in turn controlled by Donald Webster, a wealthy Canadian whose grandfather pioneered the shipment of Welsh coal to Canada and whose father, Colin Webster, is a director of Royal Bank of Canada (bankers to Eurocanadian).

If nothing else, Eurocanadian-Intercast is impressively backed, but despite Narby's English manner, a distinctly foreign operation. Which makes Furness Withy highly suspicious of Eurocanadian's strategic, near-30 per cent. stake in FW and the 38 per cent. holding in Manchester Liners, a Furness subsidiary.

There is little doubt that Manchester Liners is Narby's target. Eurocanadian-Intercast probably has around 3½ per cent. of the container trade from Europe to the St. Lawrence Seaway, far less than giants like Atlantic Container Trades and Seatrain. Manchester Liners is in there too, though again small beer with perhaps 5 per cent. of the trade. Narby's presumed aim: a rationalising get-together with ML.

Perhaps a swap deal could be arranged with Furness, with the cancellation of the FW stake in return for the whole of Manchester Liners. FW shows no signs of being accommodating, and any deal would presumably involve Narby putting his operations through a British company as he confidently expects no arrangement would "have an adverse effect on Britain's balance of payments." The means remain obscure, but as one of his aides says: "We don't feel under any pressure as far as time is concerned."

Monkish

For the past couple of years, the monks responsible for Chartreuse liqueur in France have agreed to modest pre-Christmas television advertising, but this year they were not keen on the idea. It has taken polite but determined talking by the distributors to win agreement for the spending of £30,000 on another series, though the same old film (most of it from a French TV documentary as the monks are reluctant to allow in strangers) will be used.

The monks belong to the Carthusian order, whose strict rule of silence is waived for the three monks who run the distillery 12 miles from the monastery near Grenoble and who negotiate with the distributors. In fact that is not the only place where the drink is produced. It also comes from a Carthusian monastery at Tarragona in Spain, where for three winter months a year, the distilling trio from Grenoble supervise operations.

It is a business which sits oddly at the divide between commerce and piety, but the distributors are pleased at one current development: the bottles will soon carry a new label carrying a "made by monks" guarantee just to deter any imitators.

Juvenile

Why do elephants have Big Ears? Because Noddy wouldn't pay the ransom.

Observer

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FINANCIAL TIMES SURVEY
Friday October 31 1975

OFFICE RELOCATION

The rate of office relocation has slowed down in the current economic recession, but the basic arguments for decentralisation remain valid. Many companies can recoup the costs of relocation in a single year by savings in rents, rates and lower staff costs. Although the preference is still for companies to move to the areas just outside London, an increasing number are enjoying the greater benefits of relocating into Areas for Expansion, where Government subsidies can help reduce costs further.

Moving out to save on costs all round

THE DECENTRALISATION of offices from the central London area towards the South East and even further afield is a fairly predictable cycle, as the graphs illustrate. Since the Location of Offices Bureau (LOB) was formed by the Government in 1963 to ease the congestion in London by encouraging decentralisation, some 1,700 firms have moved involving 121,000 jobs. LOB estimates that an equal number of jobs have been moved outside the capital through independent efforts, making a total of nearly ¼m. over the past 12 years. Yet despite this it is arguable whether the absolute number of jobs in London has actually fallen.

The pattern of relocation has been fairly consistent with the general economic trends. In the present recession activity has slowed somewhat and, perhaps a more important indicator, the number of inquiries received by LOB has fallen by a third. As the graphs show, there is quite a close correlation between the number of inquiries and the number of moves. This was contracyclical up to 1970 but parallel since then.

The main reason for the fall in inquiries in the 1974-75 year (LOB ends its financial year on March 31) is the increasing costs of moving. This can vary between £1,000 and £2,500 per employee (most of which is tax deductible) depending on site and size. As a result many firms have been postponing their relocation plans for better days even though the cost benefits of moving can be convincing.

The arguments in favour of relocation, though, have not been completely convincing. The number of successes the LOB has had over the years is only slightly higher than the number of decisions by firms which have consulted it which have *not* moved. In the past year, because of the recession, some 13,000 jobs were moved but nearly twice that number (at 189 firms) decided against moving.

Committed

Last year's moves in terms of number of jobs was the third highest in LOB's history. But at the end of its financial year there were still 46 firms that had committed themselves to moving some 19,000 jobs.

The LOB makes careful notes about the reasons that firms give in relocating their offices. The change in trend that is important is that up to the end of the 1960s the predominant reason for moving was expansion. In 1968-69, 40 per cent. of firms gave this as their prime reason. But this factor has been falling in significance ever since so that to-day we are back to the situation when the LOB first started with only about a quarter of firms moving to expand. The main incentive today is, not surprisingly, economy. With the rents and rates spiral in London it makes hard economic sense to site administrative centres outside the capital.

It would be quite easy for any firm to do its own arithmetic. But as a rough and ready guide the LOB has estimated savings each year of between £650 and £2,600 per employee. Thus relocation expenses can be recouped in most cases in a single year.

Taking the lower figure first, this is calculated on the basis of "low" London rents of £9 a square foot against rents in the suburb of £6. The average space allowed for each employee is 120 square feet (excluding canteens, car parks and so on), making a rents saving of £360. The saving on rates is taken at quarter of this (£90) and the savings on clerical salaries—which can be checked with the Institute of Administrative Management or the Alfred Marks Bureau—is £200, making up the £650 per employee.

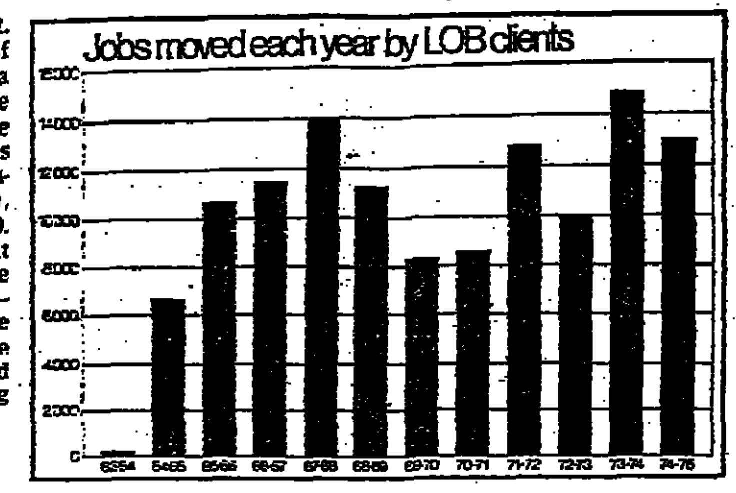
Subsidies

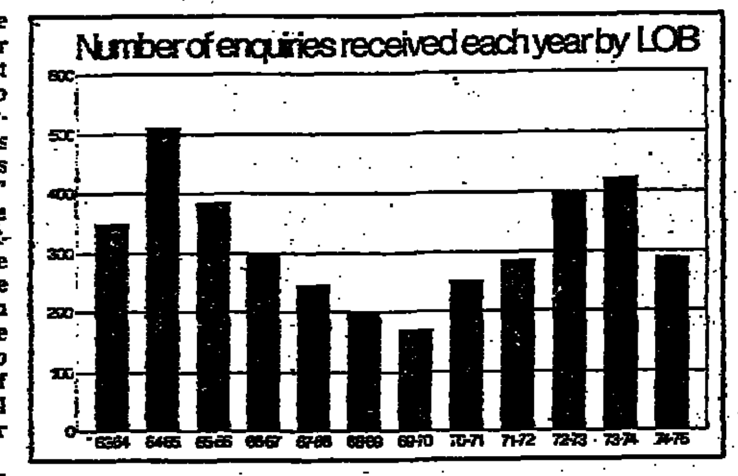
Bigger savings can be made by relocating to places further afield. Indeed, the biggest savings come by moving into the assisted areas where Government subsidies and grants are available. The LOB, in this example, takes a "high" London rent of £18 a square foot against a figure of £2 outside the South-East. Thus the saving of £16 over 120 square feet is £1,920 and the saving on rates, on the same basis as the previous example, amounts to £480. Taking the same level of clerical salary costs, the total saving works out at £2,600 per employee each year.

These examples are obviously simplified but do indicate the kind of arithmetic which makes relocation easy to cost justify in many cases. The real difficulties come not from the arithmetic but in trying to assess the likely effect on the business of the firm, attitudes of staff and what kind of facilities are available in the area most suited to the firm. It is these variables that cause the headaches and the decisions not to move.

When it comes to the intangible benefits of relocation such as improved quality of life, LOB also claims significant advances. Firms that have decentralised, it claims, report reduced staff turnover rates, less absenteeism, greater efficiency and happier staff relationships—points that become important when considering the increasing cost of recruiting staff in London.

For many people there are undoubted benefits of living and working outside the main conurbations. Indeed the advertising programme of the LOB emphasises the joy of finishing work at, say, 5 p.m. and being on the golf course at 5.15 p.m. But there are probably an equal number of people who have become accustomed to urban life and would not welcome the change.





One of the factors that militates against the overall success of LOB's and the Government's attempts to decentralise London's offices is the custom in the U.K. of low mobility rates. Whereas in the U.S. it is customary to move jobs and locations as often as every four or five years, the trend in the U.K. is far more stable.

But the trend is beginning to change. People accept moves more willingly and one factor is the increasing transport facilities that are being made available.

Indeed, this is one of the two crucial factors that will help determine the rate of decentralisation in the rest of this decade. Distance is becoming less of a barrier to relocation. Once the high speed trains are put into service, and more motorways are opened, and telecommunications improves, so these geographic obstacles will become less meaningful. Because of this the Government's policies on these important issues are being carefully watched—if some or all of the programmes for faster and more efficient travelling and communications are held up as a result of the recession, then there is likely to be an effect on the rate of decentralisation.

The other important factor that will help determine the trend is how quickly the surplus office space in London and elsewhere is taken up. Although the rents freeze was lifted in March (resulting in some very large rent increases in the London area), there is still a lot of surplus office space available so that in the immediate future there could be some stabilisation of rents increases while the slack is taken up.

But the worrying fact is there is not enough new b[...]ings being built both in Lo[...] and the South East. This [...]sents the two-fold proble[...] the threat of large [...] increases once a sho[...] develops (which could act [...] spur to relocation in the [...] areas). At the same time, [...]ever, there is a need for [...] office space to be built i[...] South East and some [...] parts of the country to w[...] many firms would wan[...] move.

The LOB, which has o[...] the most comprehe[...] property registers in the [...] reckons that as at the e[...] June there were some 2[...] sq. ft. of space available i[...] U.K. and very little to co[...] the way of new schemes. W[...] the recovery comes (in [...] 1977-78 according to L[...] chairman, Mr. C. A. Pre[...]gast) that could be take[...] quite quickly.

Dispersal

Commenting on the tight [...]tion in the South East, w[...] some 6m. sq. ft. is being d[...]oped, he comments, "[...] assuming that all such s[...] were occupied by firms [...] Central London, only fiv[...] seven years' dispersal at [...] present rate would be prov[...] for. It is clear that meas[...] to stimulate office developm[...] must be undertaken if [...] demand for decentralisatio[...] to be met and the benefit[...] redistribution reaped."

Fortunately there are [...] beginnings of a trend for f[...] to move greater distances—[...] percentage of firms mo[...] from Central London to [...] South East fell in the [...] financial year from an ave[...] of 84 per cent. between 1[...] 1973-74 to 70 per cent. [...] could be an indication that [...] Government's incentives [...] assisted areas is beginnin[...] have an impact in the cle[...] sector.

But that in itself is not [...] complete answer. Another s[...]tion would be for the Gov[...]ment to lift its policy of O[...] Development Permits and [...]courage the creation of off[...] in the peripheries of Lon[...] The success of Croydon [...] surely a sound precedent.

Roy Levi[...]

Estate agents seek a wider role

"*MANAGEMENT* is always too busy. Relocation is a long process and one which is continually complicated. The agent's role is largely to try to make management think tidily about a subject which does not really interest them."

This, from an estate agent, may sound a rather patronising attitude to the executives of client companies who can be under *no* illusions that a major relocation exercise is a once and for all decision which deeply affects their company's future. But there is much to be said for this aggressive approach, implying a full property management role rather than a simple agency one.

The fact is that, even among major companies, it is often not possible to spare top managers, over the period of several years which relocation may involve, to pay continuous attention to what is happening. The clearing banks, with the advantage of their own property departments, are notable exceptions.

Few other concerns can equal the volume of research work done in the full-time working units set up by the banks when they are considering a move outside London. Some agents can fill part of the gap. Not all though, and it is worth emphasising that, with the property market depressed, agents have been casting around for new ways to attract customers and relocation talk is one of them. There are some instant experts in the field, and relocation is something in which experience pays.

Where the agent begins is usually in getting a company to define just why it wants to move. The primary reason will normally be money. The company will have been comparing rents and rates within London with what it has found out about those outside, either in the suburbs or moving right into the regions. The company may be worried by an approaching rent review or the end of a lease. Sometimes it may simply consider that its London lease or freehold may be an under-employed asset.

One initial point an agent can make is in finding out if the client's worries are justified. Richard Ellis, *for instance*, quote the case of a commodity broker where working out a plan for more efficient use of floorspace was sufficient to make the client's relocation plans unnecessary. Or another case in which gaining planning permission to add an extra floor made a difference in both accommodation and in asset values.

Alternatives

But if the premises in central London are unsuitable, too small or too big, or simply too expensive, then no agent can hope to answer the fundamental point about how important to the client's business a London base is. Where the agent can help, at this stage, is in estimating the cost of various alternatives.

If the decision is that London is vital, then there is a fairly straightforward agency job to be done in moving the client around the central area. The best examples are perhaps the professional firms. Two years ago there was a brisk business in moving accountants and solicitors from the then very expensive City to the West End.

At present, the governing factor is the changing financial situation. Relocations mostly reflect the gradual expansion or contraction of businesses: the last two years have simply speeded up the process. To take another professional group, architects are now undergoing a severe cutback in work. Many have to be in London, but are now moving to unfashionable areas. Estate agents themselves are classic examples of simply expanding and contracting, but seldom relocating in any major sense.

But having taken a long-term decision that they do not need to be in London, what most companies initially demand from agents is to be told what is possible. The relative virtues of the short move within the South-East, in financial terms, are not as apparent now as two years ago. The City lease which could be sold at a large profit has dropped sharply in value. The rent gap has narrowed.

With relocation being an extended exercise, most company boards will be anxious for some expert view on how that gap is going to move over the next decade. No agent is going to offer definitive advice, but he can present the evidence. He can give the figures on City oversupply against a shortage developing in the more popu[...] relocation spots in the Sou[...] East. He is likely to have [...] reasonable knowledge of [...] residential market, scho[...] entertainment facilities, etc.

So a client company sho[...] get a great deal of help [...] deciding where to look, and a[...] on the more technical proble[...] of whether to opt for renting [...] for building or owning its o[...] new headquarters. If wanti[...] to own its own freehold, th[...] the agent can stress the val[...] of being in a commercial cent[...] where the asset value sho[...] improve; if renting, then he c[...] point to the possibility, at lea[...] of going right "into the stick[...] to keep the rent bill down.

One major example of co[...]pany and agent worki[...] closely in a South East relo[...]tion has been Wiggins Tea[...] and Strutt and Parker. It w[...] Strutt and Parker who act[...] for the company in buying t[...] headlease on Gateway House [...] the City, which Wiggins Tea[...] occupied, for £3.3m. in 197[...] Having seen the property ma[...]ket rise dramatically, Wiggi[...] Teape decided this was t[...] valuable an asset to mainta[...] when much of the company [...] work could be done outside t[...] City.

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Growing impact of Government policy

GOVERNMENT POLICY is one of the most important factors determining the rate of decentralisation. At the moment its policy has a conflicting impact—the incentives to move into areas for expansion, which were extended to service industries in 1973, are beginning to stimulate moves into those defined regions (see map). But within the South East regions, the Government's restrictive planning policies could have an adverse effect in the next few years if office space becomes scarce when the recovery begins to take effect. Because of the restrictive policies, operated through the Office Development Permits (ODP), there is not enough new office buildings being constructed for the future.

Until quite recently about 84 per cent. of the moves organised through the Location of Offices Bureau (LOB) were within the South East region. But in the last financial year up to the end of March 1975, that proportion dropped to 70 per cent., indicating an increasing preference by companies to move further afield, where the relative cost benefits are greater.

Thus moves to the areas for expansion in that year accounted for just over a fifth of the jobs dispersed (which totalled over 13,000). This was a significant increase over the average of 7 per cent. for the previous years since the LOB was set up in 1963.

Assistance

Some of these moves had been planned before the introduction of regional incentives to service industries in 1973. Nevertheless the figures indicate the impact of the Government's policies and there is some evidence that more offices are beginning to look seriously at the assisted areas.

There are various forms of selected assistance which can make the move into the defined areas rather cheaper than other parts of the country. The most important of these are the fixed grant of £800 for each employee moved up to a limit of 50 per cent. of the number of additional jobs being created in an assisted area, and the rents subsidy. The Government will give a grant to cover the whole of the cost of approved rent of the new premises in the new location for up to five years in a Development Area and up to three years in an Intermediate Area. Where premises are bought rather than rented, equivalent help will be given.

In addition, there are loans at concessionary rates (although adequate security is expected) or interest relief grants where the normal rate is 3 per cent. for up to four years. A firm can also claim up to 80 per cent. of the "reasonable" costs of removal of stocks and materials and net statutory redundancy payments at the old location.

The Department of Industry has several industrial expansion teams throughout the country which can give advice on how these incentives work as well as facts about the various assisted areas. Two booklets it has prepared called Incentives for Industry and Areas for Expansion can also help give the background to the Government's policy. Are these incentives enough to really get the trend towards decentralisation committed in the assisted areas? Not according to Mr. C. A. Prendergast, chairman of the LOB. His view is that the frequent subsidy should be extended to seven years and that the total cost of a firm's move should be paid by the Government.

Mr. Prendergast is critical, too, of the Government's restrictive ODP policies. Within a defined area around London, firms require a permit to build more than 4,000 square feet of office space. Such permits are rarely given these days, creating an artificial restraint on the creation of new buildings.

Although there is a surplus of office space in the area at the moment, the slack could be taken up rapidly once the recovery in the property market gets under way. Then the rents spiral could start again. This may be a sound argument for firms in the London area to move outside the area. But many firms need to stay around the London area and indeed the Greater London Council is keen to maintain the working population. So it would make a lot of sense for many people if the Government encouraged new centres around the periphery of London. After all, the success of Croydon, the first experiment in decentralisation on the outskirts of London, suggests that other exercises of this type ought to be attempted. The two most important factors in any relocation—a large catchment population and adequate transport facilities—are well provided for around London.

London Transport has prepared a plan outlining several interchange points suitable for such development. These include Hounslow West, Harrow, Finchley, Wood Green, Stratford and Wimbledon. Although the GLC is keen to retain London's population and about 44 per cent. of LOB moves are within the GLC area, it is not doing a great deal to encourage development. Over and above this is the Government's ODP policy—permits are usually only issued for new towns or areas of strategic importance. According to LOB there is about 1.8m. square feet of office space available, clearly not enough once the recovery starts.

Outside this area, the Government's extensions of the motorways and faster train schedules is beginning to have an impact on some areas. For instance, the new motorway to the South West could have a significant impact on the development of South Wales once the economic climate improves.

"In 20 years' time," predicts Mr. Prendergast, "London may still be the heart of the financial world and central government. But a lot of the administrative work of these two important sectors will be done in quite distant centres, given the projected improvement in transport and communications."

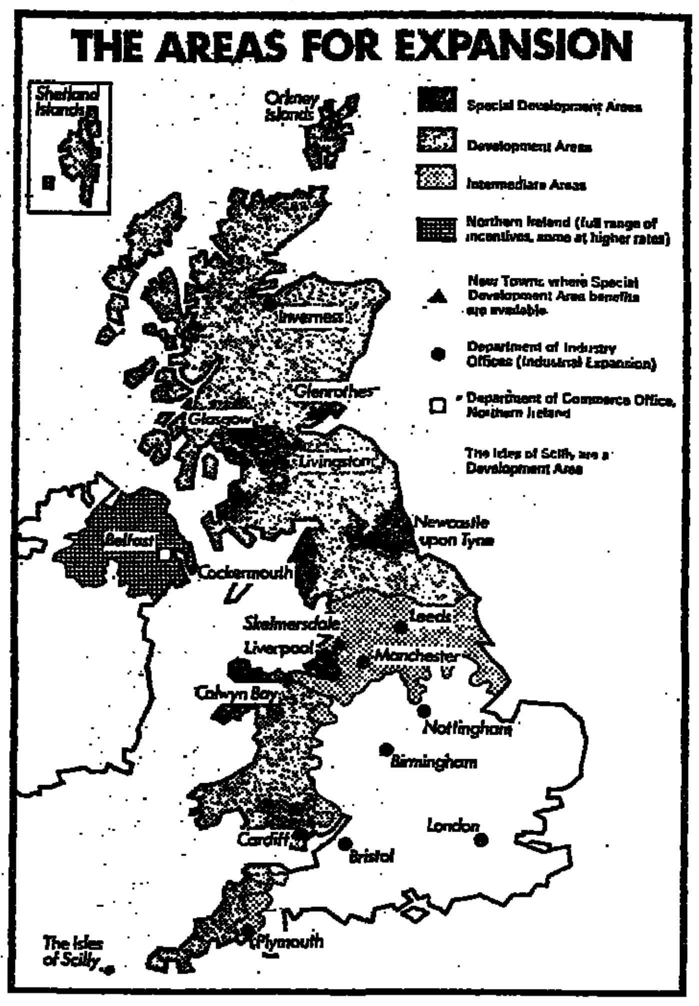
Unsettling

The government-assisted areas include special development areas, development areas, and intermediate areas. These cover Scotland, Wales, Northern Ireland and much of the north and south west of England. But the definition of the areas is changed from time to time and the latest changes were announced in August 1974 when Mr. Tony Benn was the Industry Secretary. Basically, he made Merseyside and parts of North West Wales special development areas because of the high unemployment. He also made Edinburgh and Cardiff development areas, and Chesterfield an intermediate area.

"Although it would be wrong to make frequent and piecemeal changes in the boundaries of assisted areas, which would be unsettling and harmful to the effectiveness of regional policy, I shall keep the situation under review and take action where it is justified," he commented. But one of the main planks of the Government's decentralisation policy is to create a more even employment pattern throughout the country and so alleviate the areas of high unemployment.

The specific role of LOB, though, is to ease the congestion in London. So it is only occasionally that the two objectives coincide.

Roy Levine



The scheduled front of London Sackville Property's 30,000-square-foot office development in Magdalen Street, Norwich

Estate agents

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So Strutt and Parker acted in selling Gateway House for nearly £28m. and acted as project managers in building Wiggins Teape its new headquarters in Basingstoke. It also found temporary rented space in Basingstoke while construction went on and a smaller London office for those staff who had to remain. It has been an exercise in which, besides the inevitable escalation of building costs in construction of the new Wiggins Teape headquarters, company and agent together read the market perfectly and have produced a substantial capital profit and what promises to be an exciting new headquarters building in a centre which is attracting other large companies.

Where companies decide to move further out, usually where its operation is clerically intensive rather than managerially, then the agent's role is sometimes to remind management that although the sums look even more attractive, say £12 per square foot in the City against £1.50 or £2.50, that there are some fixed costs in relocation which will ensure that the savings do not appear immediately. Estimates of how much per head it costs to move employees vary. On these relocations of 100 miles or more, then normally it is not intended to take a very large proportion of the staff.

But per head, any relocation of staff can cost from £1,000 to £3,500, and the expense of fitting out offices is much the same whether in Lincoln or Leadenhall Street. In cash flow terms, some agents report that they never promise clients savings, even in long moves, for the first five years.

It is this type of check, gained from experience on other major moves, which can make the agent's role of far greater value than merely as the negotiator for buying and selling property.

In practice the surveying and valuing skills of agents may be more important during relocation than any promised expertise in property dealing. This is why, if client companies need to make extensive use of an agent's talents during relocation, it is important to go to those who will not be preaching a particular line which is largely influenced by agency contracts.

In terms of fees, agents will, however, rely mainly on their normal commissions to justify the extra work they do to help a client in making relocation decisions. The length of relationship with a client will naturally influence the possibility of extra charges.

Two years ago, when they were busy and could afford to take a demanding line, many agents started to charge clients for time spent in advising on relocation. Some will still make a time-charge, even to established clients, but in terms of total relocation expenses and the research facilities an agent has, this should provide the client with value for money if the agent can play a professional's role in questioning the often rather vague assumptions on which relocation decisions are made.

Quentin Guirdham
Property Correspondent

Problems in measuring the cost savings

A MOVE to more pleasant and modern office surroundings has been shown to result in greater efficiency of office staff and consequently to cost savings. But measuring in advance what such savings might be is an impossible task and should be looked upon as something of a bonus.

Some of the most tangible costs to consider when deciding on a move to a new location are such things as rent, rates and staff wages. In addition, the actual cost of moving is something which needs to be taken into account—not only in the sense of moving people and equipment, but also in lost man-hours and business.

All need to be considered in association with one another, for it is not much use moving to an area where the rent and rates bill shows some savings, but where there is considerable competition for the type of office staff which you require and which may mean you having to cope with an even heavier wages bill.

A company's precise objectives also need careful consideration to ensure that it can make the most benefit out of a move to a particular area, for rents can vary considerably even though the distance in miles between the levels is not far. For instance, in Portsmouth typical rents for new offices varied between £1.15 to £3 per square foot around June of this year, whereas along the coast at Southampton a typical rent was £4 a square foot.

Foreign

Much of the publicity over the years about relocation of office space has concentrated on attempts to sell areas outside of the most concentrated parts of London. Nonetheless, at the same time there was an influx of certain types of business—such as foreign banks—into certain areas of London which highlighted the pressures on existing office space in London and the effects of this on rentals.

If ever there was an example of pressures on rentals it is statistics provided by the Location of Offices Bureau which show the advancing rental levels in different parts of the City and other parts of London over the past seven years. For instance, between the autumn of 1968 and 1974 average office rents for properties under 2,500 square feet rose from £1.41 per square foot to £6.39 in EC1, and from £2.23 to £11.80 in EC2. But even more remarkable was the rise from £1.84 to £16.91 in EC3—although with the attendant problems in the property world over the past 18 months or so there has been an easing, with the EC3 price slipping to £13.02 per square foot by the spring of 1975. A very similar pattern was thrown up in the market for property over 2,500 square feet.

London, of course, also provides the best example of how costs can vary substantially over short distances and it is quite possible that within areas of just a few miles rents can be one-half or two-thirds of the peak rates. Then, the differences between London and other parts of the country can be anything between £4 and £16 per square foot.

Average

Another interesting feature of the statistics on London rents is that despite a "freeze" on business rents, introduced in November, 1972, and due to be phased out between March, 1975, and March, 1976, there was between November, 1972, and the autumn of 1974 a rise in the average asking rental of some 61 per cent. according to statistics quoted by the LOB. But, despite the lifting of the freeze in February, 1975, there has been no discernible movement in rentals, some having come down. This must be due partly to more and more office property coming on to the market—between the spring of 1974 and 1975 available floor space rose from some 1.25m. to about 6m. square feet.

Moving around the country outside the London conurbation one finds considerable fluctuation in rentals in the various regions. In the East Midlands, prices as at June, 1975, in Derby ranged around £1.50 a square foot, while in Northampton costs varied between £2.25 and £3. The West Midlands, on the other hand, appeared to offer narrow levels—ranges being between £1.58 and £2.75 in Birmingham, £2 to £2.50 in Coventry and £2.30 in Leamington Spa. Generally, the southern counties prove to be most expensive, with such places as Redhill offering new office space at between £4.14 and £5.06 per square foot and Tunbridge Wells going at £5.35 which was 75p above the January price of £4.60. Bournemouth, which in July, 1973, was charging £1.50 two years later cost between £2 and £4.

As to the question of rates, this has become less easy to be specific about in the last two or three years. There used to be a correlation between the two where the rates would be around 33 per cent. of rent, but with the somewhat erratic rates rises that have been seen in different parts of the country in recent years that is not a yardstick which can now give a reliable guide to any company contemplating a move.

Then, of course, in London the picture may be entirely different, for in certain parts it is possible for rates payable to present a higher bill than that for rent.

Another major cost item is wages, and this again is an area which has seen some major increases in certain parts of the country, particularly London. For secretarial and clerical staff at the lowest level wages have been pushed up to around a starting point of £2,500 a year in London. And in a survey earlier this year the Alfred Marks employment bureau, which draws up a regular office and clerical staff salary survey, put the blame on local authorities for pushing the levels up with wages which commercial companies find hard to match—the same accusation has been levelled in respect of professional people, such as architects.

When it comes to the costs of physically moving, there are the obvious costs of how much will be payable on transportation of desks, but there will also be others, less discernible, associated with the building into which the move is being made. For example, is lighting totally adequate? And there may not be much or any soundproofing.

If it is a new building, and close to heavy traffic or some other noise, soundproofing will probably be needed and a general guide to this cost is about £2 a square foot of window. Lighting and false ceilings requires £1 a square foot, false flooring for computers or other special equipment may cost between £2 and £3.75 a square foot.

For floor coverings of one type or another a price range of some £3 to £6 gives a guide. Other facilities such as adequate lifts and ventilation do not lend themselves to average pricing because they will depend on the building itself and on the type of facility required.

For new furniture, prices to be allowed vary between £70 and £100 for executive desks, £40 to £60 for clerical and typists' desks and £18 and £20 for chairs.

It is difficult to generalise on the costs of moving equipmen since this can vary a lo depending on the distance to be travelled and the type of building being moved to—that is, it may be low-level or high-rise. Other variables include whether the move is to be made in the week or at the week-end, in the day or at night, and the availability of parking space.

The type of transportation may prove to be a key choice. If large specialist equipment like safes, printing equipment or computers are part of the equipment it could be cheper to send these by liner train overnight—if the distanc is sufficiently far, Scotland for example—than by road. Insurance costs must also be taken into account.

One person

In attempting to provide a cost per person, the LOB has assessed an average—which it stresses is only a brod guide—based on moving one person's desk, chair, wastepaper basket, filing cabinet and stationery cupboard up to 20 miles during daytime—the answer being £6 per person.

For each 100 miles an additional sum of £3 per person should be allowed. Night-time prices may vary between £6.50 and £9 per person. The LOB, as well as stressing the figures are merely a guide, advise companies to ask for quotations from reputable firms and suggest particulary those which belong to the British Association of Removers.

Less readily identifiable costs which must be taken into account include switchboard equipment, training of staff, cost of disturbance of production and of course it is essential to ensure that catering and vending equipment is satisfactory, particularly if it has been so at previous premises or there has been good facilities close by.

Nicholas Leslie

Staff recruitment a crucial factor

ACCORDING TO a survey by the London School of Economics in 1974, nearly half senior white-collar workers in Central London would, if offered the opportunity, prefer to work and live elsewhere in Britain.

This is a surprising result considering that Britain has never been a country with a high degree of mobility. Furthermore, the attraction of higher pay in London as well as its many cultural facilities are a feature that many people, when faced with the real choice, would probably prefer not to leave. Indeed, it is invariably true that when a firm moves its offices, it loses some of its staff. And the further away it moves, the greater is its loss. This is not surprising but it does leave the management with the problem of how to replace those who do not choose to move with the firm.

This poser explains why most of the moves organised under the guidance of the Location of Offices Bureau (LOB) have been in the South East region—well within commuting distance of central London. Increasingly, though, it is becoming more difficult and more expensive to find suitable staff and, at the same time, housing in the South East is not getting any easier or cheaper either. Perhaps for this reason a new trend is beginning to establish itself for firms to move outside the South East and towards places further afield.

Research

Here the problems are of a different sort. There may not always be a sufficient reservoir of skilled labour, transport facilities or adequate housing and education. So thorough research is essential before the location is chosen. There are many factors that determine where a firm should relocate. It is surprising that such a low proportion of firms consider that staff recruitment is the most important factor. According to the LOB, which keeps annual records on the reasons why firms choose a particular site, only 6.7 per cent. listed this factor first. This has varied over the years but has consistently been below the 10 per cent. level.

The LOB does have fairly detailed maps and information about the labour pools available in various areas and the particular skills that can be recruited. But in addition, the general patterns of employment are flexible to the extent that unemployed clerical workers are not as easily discernible in the statistics as, say, coal miners or factory operators. The main reason for this is that there is a great reservoir of clerical labour which is not included in any of the statistics. The main element of this is the numbers of married women who may be willing to work given the opportunity. This factor needs to be taken into account when studying maps of local catchment areas for office workers.

Another indicator is to study the projected population growths in the designated new towns. Lists of these are easily available and estate agents or the LOB can advise which areas to look at.

The LOB also provides estimates of the numbers of school leavers each year in major towns and an indication of their education levels. A properly planned recruiting campaign may also include a trial recruiting programme in one or more centres to test how many people would be willing to work for the firm if it were to move into the town.

Returning again to the South East and other areas around London, the Greater London Council can help give information on the staff available in expanding towns. The GLC maintains an Industrial Selection List (also available through the Department of Employment and Productivity) with some 40,000 families registered that wish to get homes and jobs away from London. The list is maintained by the GLC's Director of Housing and is classified by trades.

According to a survey undertaken by the LOB on 20 firms that had relocated, 14 of the firms had to train locally recruited staff in London before the move actually took place. For most of these firms the training period averaged three months (although in the case of one semi-industrial firm, the training was extended to two years) during which the trainees' commuting expenses were paid by the firm.

Originally, local newspapers and private employment agencies were used to obtain staff. All 20 firms surveyed stated there had been no real problem in recruitment.

Competition

Most firms found their advertisements for vacancies over-subscribed and were therefore able to choose the most suitable applicants. In the survey, LOB notes, "most firms had not experienced any recruitment problems since the move, but one company in Southampton had noticed increased competition and one in Harlow had found that wage rates had risen, not because of a staff shortage, but because many incoming firms were international organisations which continued to pay London rates, thus pushing up wage rates as a whole. A firm in Croydon had noticed that the original differential in wage rates was almost totally eroded."

Once the recruitment programme has been completed, the firm can hopefully enjoy some of the benefits that relocation are supposed to bring to staff. The LOB survey makes special mention of lower staff turnover, greater efficiency, and higher morale.

Roy Levine

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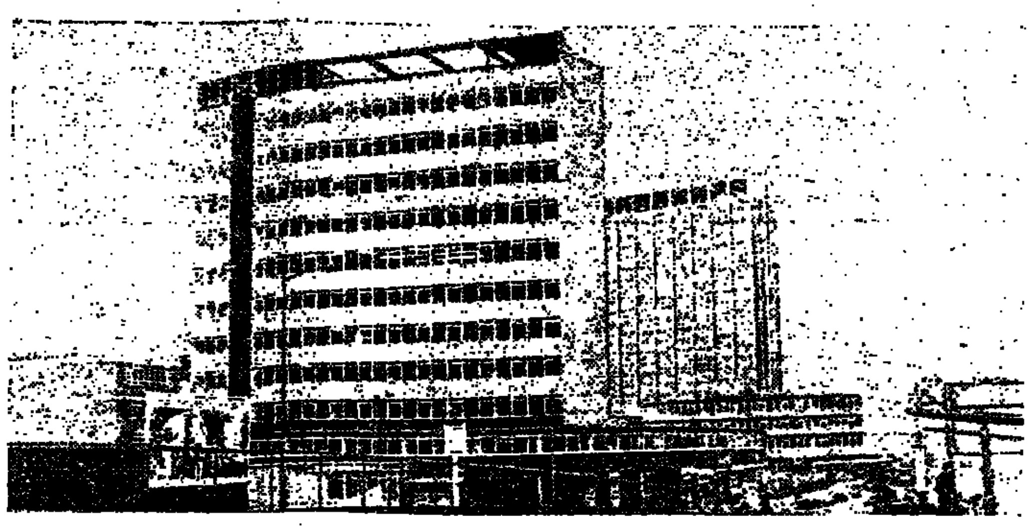
Regional policy of stick and carrot



Office development in Croydon.

IF GOVERNMENT controls upon office buildings remain as tight as they are at present—and there is not the slightest indication of a more relaxed policy appearing above the horizon—then many thousands of office jobs are certain to be denied to the south of England and established instead in the development regions.

Successive governments have directed manufacturing industry into the job-hungry areas of Britain for many a long year by using the stick-and-carrot policies of industrial development certificates (which can be refused) and financial and tax incentives (which are awarded for settling in development regions).

Many experts have spent many years debating the value of these policies in helping Britain's economic growth. Their findings are still inconclusive. Yet the Government has been sufficiently confident itself in the basic value of carrot-and-stick to extend the technique to the dispersal of office jobs away from London and the crowded South East. The commercial world's equivalent of the industrial development certificate is now the office development permit. A package of grants and incentives is also available for companies establishing offices in development areas.

The policy is still in its early days and clearly the dispersal of office jobs is not being helped by the national recession. Nevertheless a pattern can be discerned.

The first wave of migrations out of London by big companies was a short-range affair. It was considered bold in 1965 to move to Croydon or Hendon. But after a few companies had blazed the trail there was no lack of volunteers to follow them. High rents and poor office accommodation in the City were reasons. So were the trials and tribulations of commuters into central London.

The next wave was emboldened to carry on out of Greater London to settle in many of the comfortable towns and cities of the South East. Portsmouth, Southampton, the Channel resorts, Basingstoke, Southend, Swindon, Reading, and a great many other places all found themselves with welcome shares of the high quality office employment which hitherto had been an exclusively London preserve. But all good things seem to come to an end and with the imposition of the ODP system the stock of good quality modern office accommodation in the South and the South East is now drying up. It would probably have been snapped up completely by now had it not been for the economic set-backs of the last 18 months. As things stand it is still possible to find one or two office blocks waiting for tenants in many southern towns. But the stock is strictly limited.

Then came the third wave of the continuing migration of the London office job. It is still continuing and will probably add up eventually to the biggest of the three migrations.

Assistance

Unable to look to the London suburbs or down the commuter rail lines companies began looking at what the development areas of the North and the West had to offer. The trend was encouraged by the Government's package of assistance and by the work of the Location of Offices Bureau in Chancery Lane: a Government-sponsored bureau always ready to give a company all the facts it needs about sites and available office space in the provinces.

LOB finds that about 85 per cent. of all organisations seeking office space are looking for accommodation already available for letting, or nearing completion. Very few organisations intend to build for themselves. The discovery of a suitable office block, or a converted stately home in parkland, can swing the argument for a bank, an insurance company, or a big industrial concern contemplating moving part or all its operation out of London.

Now that such firms are necessarily having to look beyond the South East communications are also becoming a vital factor. It has been found that postal communications and adequate telephone services can rank even higher in a company's priorities than rail and road links. Equally there must be an adequate supply of suitable male and female labour able and willing to adapt to office work. The experience is that most companies have to do some energetic local recruiting after their moves. There is always a proportion of London-based workers in a company who put their allegiance to London or their suburb above allegiance to their company and stay put.

However it is also true that office workers are generally prepared to travel longer distances to work than their counterpart workers in industry. When Barclays Bank moved some head office departments to Knutsford, in Cheshire, it recruited for its 1,500 jobs widely and people now travel to Knutsford from all over north Cheshire and even Lancashire and Derbyshire.

LOB estimate that since they started work in 1963 about 140,000 office jobs have moved out of Central London. Most of them are still to be found within 100 miles of the capital but some have gone as far as North-East Scotland. The bureau also believes that most moves nowadays are dictated more by the high cost and inconvenience of working in central London (inconvenience both to company and employees) than by a simple need to expand in less cramped surroundings. Some figures calculated by LOB reinforce the point. In 1963 there was a differential of £250 per employee per year for rent, rates and salary between central London and the provinces. Today that differential has risen to £2,500 per employee.

The Department of Industry calculates that some 5m. square feet of office space is available in the development areas for companies willing to move out of London and the South-East. The rents are of course often ten times cheaper in these Northern and Western towns. The Government package includes a grant of £800 for each employee moved together with a grant for the whole cost of rent for up to five years in a Development Area or up to three years in an Intermediate Area.

The fact that the development areas so sorely need the balancing contribution of office work alongside manufacturing industry and that therefore commercial companies moving into the North and West get such a warm welcome is likely, in the end, to prove perhaps the most potent factor of all.

Roy Hodson
Regions Editor

Attractions for the staff

THE ECONOMICS of relocation may make sense to a company's management, but it is ultimately the employees that will decide whether the move is going to be a success or not. If the proportion of staff that wants to move is not high enough, then there may be no reason at all to start any decentralisation by a company.

So in order to encourage employees, management needs to be careful to ensure that there are adequate facilities in the area chosen and that sufficient incentive is given to staff to become excited about the prospects of moving. For in most cases, relocation involves not only a change where a person works, but also where he and his family will live. It is simply not enough to present the attractions of living in the country — employees will want to be assured about schooling, shopping and particularly housing.

Fortunately, the property market in most parts of the country has become a buyer's market so that there are none of the pressures of time and prices that made some relocation moves difficult at the height of the property boom of 1970-73.

One of the first steps a company should take if the move involves several hundred people is to appoint a full time relocation officer to handle the many personnel problems that will be encountered. His office should become an information room for all employees involved in the move and he should issue regular bulletins after the initial briefings to all staff. Close communications is perhaps the most vital element in any successful and large decentralisation.

Property

The company should provide specific information to employees about the site chosen including maps of the area, details of property values, schools and shopping centres.

But even more important, it should take the employees to examine the new town that has been selected.

When the National Westminster Bank decided to move its insurance services, registration division and income tax and trustee sections to Bristol in 1972 it hired coaches and an hotel to take the 700 employees to the town for a week-end. Talks were given by local experts on education facilities available, health and general amenities. Local estate agents then spoke about the property market in the area and an afternoon was spent driving around the suburbs and surrounding countryside to give employees a first-hand introduction to the area. Subsequently, employees were allowed to travel to Bristol at the expense of the bank to select their own houses through estate agents. NatWest also paid legal fees, and the estate agents fees incurred in selling London houses.

As is normal for a bank, employees were given loans (at only 2½ per cent.) to buy their houses. The younger or single people who did not want to buy houses were given help in getting rented accommodation, but there were few people in this category and no-one under the age of 23 wanted to move in any case.

About a third of the staff that moved from the old London office were key personnel. Of the rest those who did not want to move were redeployed in the City or central London offices of the bank. Extra staff that were required were recruited in Bristol, mainly in the junior grades. When it came to schooling there were very few difficulties although some of the employees' children that had been at grammar schools found they were in comprehensive schools sooner than would have been the case had they stayed in London.

In another case, that of The Zurich Group, which moved its offices to Portsmouth in 1968, employees were given two instalments of the London allowance to help finance the costs of moving house as well as a month's gross salary in unfurnished accommodation. The company also paid for travelling expenses from London during the period that employees were still looking for houses and, when they had bought, it paid legal fees and estate agents charges.

In some cases buying a house in the country or a seaside town can be easier than selling a house in London and some companies have helped employees by providing interest-free bridging loans. One company even went as far as to purchase the houses from employees and when the company sold the house, split the difference with employees. It is doubtful, though, whether that can be achieved successfully in to-day's weaker property market.

One of the main differences for employees in any decentralisation move is that by all working in a smaller community they inevitably have a closer sense of interest. Provided relationships are basically good in a company this can work to the benefit of all.

If a company is relocating to one of the 28 towns being expanded by the local councils around London in agreement with the Greater London Council, special facilities can be provided. For individual families that are looking to relocate to one of these towns, a house or flat is normally offered with a job as they become available. In some of the towns (for example, in Witham) 100 per cent. mortgages are available for applicants moving from Greater London.

Roy Levine

OFFICE RELOCATION VI

This year the Location of Offices Bureau returned to advertising on the London Underground with these messages from forme agency KMP. They are aimed at staff as well as management and make the financial and environmental case for decentralisation

Guiding hand of LOB

THE LOCATION of Offices Bureau (LOB) was formed by the Government in April, 1963, to encourage the decentralisation of offices from congested Central London. It has four members appointed by the Secretary of State for the Environment and a small staff of seven. Despite the small staff, however, the work it does is voluminous.

Its main functions are to give advice to firms that are interested in relocating their offices; undertake research into the state of the property markets in different places throughout the country as well as the numerous factors affecting relocation; and to organise advertising and publicity for the exercise

"Because of our small staff, people have to come and see us," notes Mr. J. P. Maconchy, senior location executive. But when they do come, the LOB has quite a lot to offer potential clients, free of charge.

For a start, the LOB claims to have the most comprehensive property register in the U.K. It monitors the amount of space available in most parts of the country as well as rent levels. (Salary levels are available from the Institute of Administrative Management or the Alfred Marks Bureau.) This is kept on computer so that retrieval of information is almost instant.

It also maintains a series of maps which show the population levels in different parts of the U.K. as well as the communications networks. These can be very useful to help a firm make up its mind about what site would best suit its needs.

Over the 12 years of the LOB's existence it has been consulted by nearly 4,000 firms. Some 121,640 jobs have been relocated through 1,715 firms under its guidance. The biggest movers have been insurance companies which account for 13 per cent. of jobs moved over the 12 years. Other important sectors include transport and communications, banking and finance and engineering companies. Not surprisingly, the least progress has been in the textile sector, which does not have much existence in London anyway.

As part of its advisory service the LOB has prepared a series of case studies which potential movers can examine to assess some of the pitfalls of relocation, and to gain from the benefit of other companies' experiences.

The intention was to look at the moves from management's point of view, to see how the decision to relocate was made, how the location was chosen, what staff problems were involved and how they were solved.

Subsequently, the LOB has studied the situation after the move to assess what specific problems were encountered and what benefits the firm has enjoyed in its new location.

Handbook

Twenty firms were selected giving a spread of location and type of activity. The survey is based on interviews with the top management of the firms concerned. Later this year the LOB will be publishing a statistical handbook of the many facts it has collected in its computer. This will include revised tabulations of the information which has appeared in its annual reports since 1963. But some of the information will be new, like the relationship between type and size of move.

The annual report which LOB produces each year is itself a study of the relocation situation and should be examined by management that is considering moving its offices.

The work that the LOB does and the advice it is able to give to companies is free to the user because it receives a grant from the Government to cover its costs. In its last financial year—to the end of March 1975—it operated on a budget of £142,000 so that the cost of its services to the taxpayer is certainly cheap enough. In the current financial year, however, the LOB has applied for an increase which could be in the order of around £200,000.

In assessing the efficacy of the LOB's work, it is obvious that there are many factors outside its control which determines the success of the decentralis programme, most importar which is Government policy. LOB estimates that in add to the 121,460 jobs moved the past 12 years, there i equal amount of jobs that been moved without its aid. probably a large proportio those additional moves instigated by the publicity awareness which the LOB a tising has created.

There is no doubt that a l progress has been made in ing the trend towards dece lisation in the U.K. But t is still a long way to go. the chairman of the LOB, M A. Prendergast, commente the Press conference to la last year's annual report: " problems of congestion in transportation system, pres for housing, and an imbal which existed in London in still remain."

Roy Lev

Big task for small advertising budget

THE PUBLICITY role of the Location of Offices Bureau is its most important activity, only approached by the information service that it provides for companies planning to move out of Central London. Although about a fifth of the inquiries it receives come from personal recommendation the bulk are inspired by LOB publicity, and this basically means advertising.

Unfortunately the LOB total budget has not risen much in recent years and this is especially true of the amount given over to advertising. The actual sum has stayed about the same, roughly £60,000 a year, but as a proportion of the LOB budget it has declined from around a half to nearer a third and, more ominously, in these inflation-ridden days, the amount of advertising that can be bought with this sum has steadily declined.

Activity

Along with the many problems facing firms during the economic crisis, which make them reluctant to contemplate a big step like de-centralisation, the declining impact of the advertising budget must also have played a part in the fall in enquiries in 1974-75 to 290 from 421 in the previous year. With no great improvement in the economy envisaged next year, and with the advertising appropriation unlikely to rise (so in effect, fall in its effectiveness), the LOB should have another year of lower activity.

But there is one new element in the advertising strategy. This week the Bureau announced a new advertising agency, Foster Turner Benson. For over four years it had been looked after by KMP, but there was a feeling that a different approach was needed, and so after talking to 60 agencies and examining 20 quite closely it settled on Foster Turner.

Although the agency is in the process of moving to the West End it is basically known as a financially slanted operation as opposed to the creative reputation of KMP. So the LOB could well move away from the eye-catching but often light-hearted advertisements of recent years to a more serious tone. One reason for the choice is that the Bureau believe that Foster Turner knows how to communicate with businessmen.

In the past the LOB advertising has attempted to catch the eye of both businessmen and staff, who might be affected by a move out-of-town. The media used have stretched from the Financial Times and the Evening Standard to tube cards. This year, in particular, a series of five advertisements stressing the attractive back-to-nature environment away from London have been appearing on the London Underground in 4,000 carriages, and although their positioning is aimed mainly at staff, the LOB research suggests that this is the advertising most remembered by the businessmen who approach the Bureau. This is particularly true of those running small companies, a group that the LOB expects to respond more readily to its message, given the rise in London rent and rates.

The advertising is designed to push those companies thinking about moving out to make a definite approach for more information, and also to educate others into considering the matter. It is a big task for such a small advertising budget, particularly as the LOB operates its campaign independently and does not come under the COI, which has advantages in getting generous discounts through its enormous joint budget.

It also means that the LOB cannot experiment much. Television would involve considerable waste, as does radio. Last winter there was a campaign on London Broadcasting, because of the very generous discounts, and it produced two inquiries, but the cost weighs against such extensions in the media.

Direct mail

In 1975 there is likely to be an extension of the press media, perhaps to include the businessmen's journals again, but there is little likelihood of a radical change in approach. One area with potential, however, is direct mail. In the past year there have been two ambitious mailings, one to those companies that contacted the Bureau between 1963-70 and subsequently decided against a move, and another, on a cold call basis, to a wider spectrum of companies. In most cases LOB attempts to market through the mail on a personal basis, with a letter from its chairman to the chairmen of potential customer companies.

Another important area of publicity is a presence at exhibitions and supplying speakers to seminars. In any week three executives might be preaching the decentralisation message, and in the past the LOB has organised its own gatherings and prepared an audio-visual presentation, "Out of Town," to lighten seminars. But such public relations exercises, like the advertising, are not designed to change attitudes overnight. Moving out of London is such an important step for a company that propaganda can do little more than sow the seeds, and prepare the way a more sympathetic conside tion of the LOB case.

And, of course, the case stronger every year. LOB ad tising reflects the chan advantages while concentra on the cash savings to be n in moving out. When the ernment ended the "freeze office rents and when the Sp brought big rate increases, LOB immediately respor with advertisements aler businessmen to the coming in expenses. For extra im there is a selection of pr poster sites of the main l don railway termini which h mer the message home to w commuters every day. alongisde these hard-worl campaigns there have been tube cards with drawings flora and fauna by distinguis artists in the best whims tradition of the Bureau.

It is too soon to predict advertising in 1976. It will sumably be influenced by current research under way the actual boundaries of Bureau's market and the tudes of individual business towards office relocation. fact that it is financed by Government has made the l perhaps over-cautious in marketing policy. It is keen to waste tax-payers' money its budget is really smaller t the media impact would sug and there has been less search than could be justi to devise parameters for advertising. But publicity is the only effective way of att ting inquiries and to sacr the expenditure in this could undermine the whole pose of the exercise.

Antony Thorncr

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Need for better design

WITH PROPERTY development at a low ebb throughout the U.K. it comes as no surprise that the concerted efforts of such bodies as the Location of Offices Bureau are now losing some of their impact. The availability of suitable office accommodation in the areas of high demand is now drying up as the speculative building boom of 1973 peters out.

Moreover with inflation playing havoc with building material costs, cement for one has risen by over 50 per cent. in the past year, it is now looking extremely unlikely that the short term will see any noticeable recovery in the speculative type of office development in the provinces; it is reckoned that overall building costs have risen by at least threefold over its last year. That is bound to check the exodus from London while at the same time it could serve to bolster rents in the provinces as demand fast overhauls supply. Indeed there are now signs that the rent differential between the provinces and London is beginning to close.

The arguments for moving out of London are evidently much stronger for routine clerical work since labour in the provinces is generally cheaper and in such as case can easily be trained. Indeed many of the insurance or broking companies have recently moved their general staff, including accounts, etc., out into the country while maintaining the hub of the business in London.

Those companies that need a high degree of skill in their labour are not so readily satisfied. As such many of these companies have become disenchanted with severe disruptions to the production line offsetting what benefits they had by moving.

Faced with this sort of problem many companies have decided to stay put in London. This, however, is not to say that they are taking the problem of rising rents and rates lightly. Since they are not prepared to make the move out of London they have been left with little *alternative but to make the best* of what they have got.

The growing need to use office space more efficiently has been the calling card for the many office planning consultants that are now offering their services. Indeed it is significant that since the move out of London started to drop off after the 1973 peak, the role played by these office planning consultants has become more noticeable.

When management calls in an office planning consultant there will immediately follow discussions concerning the organisation and the trading concept along with the inherent problems. Moving on from there the consultant would look over the building to see just how the space was utilised, paying particular attention to the layout of the office. After all, no two offices are alike and often little can be done to improve the efficiency. Such matters as the size of the office, the position of the windows, lifts and staircases, along with other permanent fixtures such as supporting columns, all need to be taken into conideration.

Proposals

Assuming that the consultant is of the opinion that there is sufficient potential for improving the design of the office, *thereby making the flow of work* and communications that much easier, while at the same time making some improvement to *working conditions, plans would be submitted to the client.* The timetable here could last from about three days, for a very simple exercise, to on average a month. On acceptance of these proposals the consultant would instruct building contractors to commence.

The saving factor here, however, is far from great in terms of fixed overheads, but the consultants feel that redesigning can save anything from 10 to 20 per cent. in actual office space. Such consultants, of course, do not concentrate on the reduction of labour, and as a result they claim that staff is more willing to discuss their problems as far as working conditions go.

Straight management consultants would, however, argue that greater saving can be made by office efficiency assignments rather than that which is derived from changes in office design and layout.

Anyway, one area that is cashing in on the drive for more efficiency is the office furniture and equipment sector. Roneo Vickers, one of the leaders in the sector, has recently launched a system that is designed to give the maximum flexibility while at the same time being adaptable to most office accommodations. It provides an average saving in floor space of 20 per cent. It comprises vertical panels, two or more of which are coupled together to stainless steel posts to form a working area. Furnishings transform a panelling combination into a working area, and all furnishings slot into the uprights. These include flat surfaces as well as shelves.

Much thought is clearly being put into office design as a means of improving existing accommodation and in the short term the office planning consultant would appear to have much going for him. Of course, there remain strong arguments for moving out of London for certain types of industry but much would seem *to depend on a clearer picture* concerning the future of the provincial building programme. Pending any upturn in speculative developments—and there are many cost problems against this—there would be little to suggest a recovery in the relocation programme.

David Wright

Communications a vital factor

COMPANIES DECIDE to re*locate their head office usually* away from London for many reasons, some financial, some not. Office rents are lower outside of London, staff recruited locally is cheaper to employ, it is physically impossible to expand further within the existing premises. These are some of the reasons for relocating some or all of the head office to another area.

The decisions to be taken on relocation are basically who is going to move and where to move. These two decisions are, however, closely connected, but the company often has to decide who is going to be relocated before it can get down to fixing the area to move to. For continuity and close control are essential to the efficient running of a head office. If the set-up is to be split, it is necessary to ensure that this control can still be effectively exercised.

Accommodation

If the whole organisation moves the factors determining the eventual location must, in general, relate not only to the supply of staff and availability of accommodation, but to links with other organisations and relationships with branches, factories and depots. With a split of head office, with the board and senior executives remaining behind an additional factor is added, the need for good and quick communications between the existing head office and the new one. It is a factor that assumes considerable importance.

For to ensure the smooth running of any company the senior executives need to be in constant touch with the main administration departments. They need to have quick access to information and documents of all types normally *provided by these departments.* In addition there needs to be constant and regular personal contact at least between the senior executives and the heads of the departments concerned and this to be done quickly so that the latter are not away from their departments too long at a time.

Modern telephone systems using direct lines from the present to the new buildings can provide an internal telephone system giving immediate personal contact. This can go far to overcome most of the contact problems between officials. The latest technological developments in telecommunications give a highly efficient system, but the GPO is finding it difficult to provide the number of lines required by large organisations. Insurance brokers, Willis, Faber and Dumas, which relocated earlier this year to Ipswich had the latest system installed but with only about one-third of the lines required, others being installed in due course.

The problem of transmitting documents and information depends very much on the type of computer installation and how much information is stored on computer files. Indeed, one of the more important reasons for many companies to relocate was that there was no room for a modern computer installation in existing head office space.

The latest developments in telecommunications now enable good copies of the actual documents themselves to be transmitted quickly over considerable distances. The standard of reproduction of copy has been improved considerably over the past few years. But such a system is expensive to instal and operate and many companies that have relocated head office *departments still rely on their* own delivery service, either by van or by rail, which carried documents between the various buildings.

This delivery system means that the relocation areas are very much limited by the access position and the time taken to get from door to door from the old to the new buildings, either by road or by rail. Ideally the time taken in travel should not be more than a couple of hours, to ensure a minium of delay in getting documents. Equity and Law Life Assurance Society which relocated very early to High Wycombe reckon on a delay of half a day from its van delivery service.

Managers

This communication position assumes even more importance from getting departmental managers quickly to and from the old head office. It should be that they can leave the new site at a reasonable time and arrive well before lunch and then return during the late afternoon, so that they are away from their department for no more than one day.

Thus in a partial relocation all communications are important, but the road and rail connections with London are particularly crucial. Examples from the insurance industry, which has been among the leaders in relocation are the Phoenix to Bristol, Equity and Law with a second relocation to Coventry in addition to the High Wycombe relocation, *Hambro Life to Swindon* and Willis, Faber and Dumas to Ipswich. In each case the new offices are not very far away from the railway station and there are good and fast rail and road connections.

Eric Short

OFFICE RELOCATION VIII

Two of the regions which have particularly benefited from the decentralisation of offices from London are the West and the North-west.

Go West . . .

THE ROAD to the west is attracting many developers and organisations wishing to establish offices outside the London area. Potential fugitives from London reportedly find the prospect of moving up to 200 miles west much easier to accept than that of moving a similar distance to the north. This may be due to a natural human reluctance to move away from the sun. It could also be due to old prejudices against the northern towns dying hard among southerners. Whatever the reason the towns and cities brought within easier reach of the South East as the M4 motorway has unrolled westwards have had no difficulty in having themselves accepted as new office centres. Rather their problems have been more concerned with restraining too fast a rate of growth in office employment.

Reading, an easy drive from London. now and conveniently near to London Airport, has changed its former pattern of being a commuter base for people working in London. Now there is a considerable flow of office workers into Reading daily. Foster Wheeler have taken more than 1,000 jobs there. Metal Box have moved there. Reading now has a sizeable office sector. Moving further west, Newbury and Cheltenham have both become the new homes of offices formerly based in London. The outstanding example of the transformation of a country town, however, has been Swindon. This railway and market town has now gained some 3,000 jobs from moves out of the London area.

No city west of London can compare with Bristol for the scale and range of office development which has gone on during the past few years. Bristol has available a stock of good, modern office accommodation. As a major city it also has the housing, shopping facilities and amenities that are necessary to cope with a big influx of white-collar workers. The city has cooperated with office developers with the declared objective of broadening its spread of activities away from the port and from manufacturing. The trend so far has been for major insurance companies and public sector departments to settle there with organisations providing employment for hundreds at a time rather than dozens.

Among the companies now in Bristol are the Phoenix Assurance, the Royal Insurance, the Sun Life Assurance, the Clerical Medical and General Assurance and the National Westminster Insurance.

Concentration

Bristol now has some 8m. square feet of office space. If plans at present being held in the pipeline to await council decisions and/or a more favourable economic climate are eventually given the green light Bristol will acquire at least a further 2m. square feet of high quality offices thus putting the city in a class by itself as far as West of England and Welsh office concentrations are concerned.

However, the implications of Bristol as a major British office centre have not been thoroughly thought out during this swift development. Many political battles remain to be fought before untrammelled further office development is allowed there. Avon Council, the new county authority within which Bristol is now a district, is naturally concerned about the commuter estates and villages developing around the city. It is fair to say that Bristol's office development so far has been carried out with sympathy for the old city and that no obvious distortion of living patterns has resulted from the growing numbers of office jobs grafted on to the existing community. Bristol is likely to stay near the top of the league of pleasant provincial cities to live in and work in.

The M4 at present links with Wales by way of the Severn suspension bridge and then ends abruptly at the far side of Newport. As a result the eastern corner of south Wales has enjoyed growing properity during the 1970s at a rate envied by the other industrial areas of South Wales which are not served by a motorway link. The new town of Cwmbran and Newport nearby are both centres of growing office activity.

There is a fair demand all along the South Wales strip from Newport to Swansea for office accommodation even in these depressed times. But the real job of grafting a healthy office sector on to the primarily industrial economy of South Wales will begin in a couple of years' time. By early 1978 the M4 will have been extended westwards to serve South Wales to beyond Swansea. It is a £100m. crash programme which is going to absorb most of Wales' available money for trunk roads. But Mr. John Morris, Secretary of State for Wales, argues that it is the vital missing link needed to stimulate the Welsh economy.

The Government is to make a major contribution to establishing a sizeable Welsh office sector by building up a network of Civil Service offices. The forerunner of this grand design has been the national motor licensing department at Sw[…] sea. Some 4,000 are employ[…] there now and numbers w[…] build up to 7,000.

The attraction of this ent[…] prise to the planners is tha[…] serves a wide catchment a[…] within a Government-designa[…] Special Development Ar[…] Most of the clerical work[…] have been recruited locally.

The Government intends t[…] the motor office shall […] followed into South Wales […] a number of Governm[…] departments. Already the Bu[…] ness Statistics Office has b[…] established in Newport w[…] 1,000 people. The Regio[…] Development Grants office is […] Cardiff to serve all Wales a[…] part of England. The Hardm[…] report on the dispersal of c[…] servants from the London a[…] is resulting in the transfer[…] of Companies House with 1,[…] jobs to Cardiff (into a 250,[…] square foot building). T[…] Export Credits Guaran[…] Department is also due to m[…] to Cardiff.

Countryside

The far West of England h[…] sometimes been regarded w[…] suspicion by developers as […] remote for offices. Paradoxica[…] the firms that have sett[…] down in Plymouth to give t[…] city a useful spread of off[…] employment are unanimous […] their praise of the locati[…] Banks, insurance, and finan[…] firms operating fr[…] offices in the largely-rebu[…] city find their staffs apprecia[…] the juxtaposition of city, s[…] and fine countryside and th[…] staff turnover is correspon[…] ingly low. The M5 is alm[…] complete to Exeter now a[…] the Exeter-Plymouth road—f[…] merly a notorious stretch—h[…] been replaced by a du[…] carriageway to near-motorw[…] standards. There will be mu[…] in the South-West in t[…] future to attract companies d[…] persing their offices. The co[…] pletion of the motorway syste[…] may do for places li[…] Taunton, Exeter and Plymou[…] what the original M4 did f[…] Swindon some years ago.

Roy Hods[…]

. . . or go North-west

THE NORTH-WEST'S crusade for office decentralisation has been carried this year right to the firesides of the South-East for the first time. Viewers tuned to Thames Television found themselves invited to give urgent thought to moving their offices 200 miles north. In between the soap powder and baked beans commercials there was the question to be faced: "Can you afford to stay in London?"

Few regions can have campaigned for decentralisation with the vigour and persistence of the North-West. The booking of 30-second spots for four nights on commercial television can be seen as a logical if unexpected shot in a cause which has so far encompassed the staging of an office dispersal seminar in the heart of the City and confrontations with Prime Ministers actual and possible, energetically supported throughout by deputations, speeches and some persuasive promotional material.

The north-west can claim to be easily the largest centre of office employment outside the south-east, with one in five of its working population engaged in an office occupation. But this does not alter the fact that the gap between the north-west and the south-east is still an enormous one. This explains why attitudes have changed and why there should be a growing feeling that regional policies which have historically concentrated on manufacturing industry should now pay more attention to the rapidly growing office sector.

The impact of the campaign to persuade companies to relocate their offices in the north-west has so far been significant rather than spectacular in terms of actual gains. There is little doubt about the one industrial development leaders see as among the most important: Barclays' Bank decision to move several head office departments from London to Knutsford, Cheshire, represented a gain in prestige and stature as well as jobs.

When the move was announced three years ago Barclays explained that in the City of London rents had reached between £10 and £12 a square foot (October, 1972). "On average each person we employ occupies a little over 100 square feet of working space, so that in the City of London the cost to us is more than £1,000 a year per head of staff. The equivalent figure in the Knutsford area is no more than £150 a year," said Mr. W. G. Bryan, Barclays' deputy chairman.

Since 1972 costs in both London and Knutsford have reflected continuing inflation but the basic differential in favour of the North-west remains. Office rents in the Manchester area now range between £2 and £3.80 a square foot: on Merseyside they are marginally lower. In Chester they are between £1 and £1.30. The North-west Industrial Development Association, which has spearheaded the campaign for relocation, claims that the region has the greatest proportion of available office accommodation to be found in the assisted areas of the United Kingdom.

The whole of the North-west is an assisted area and as such service sector industries locating or expanding there can qualify for incentives ranging from a fixed grant of £800 for each employee moved with his work to a rent-free period of up to five years in a Development Area, or up to three years in an Intermediate Area.

Tradition

The North-west includes both categories of assisted status with many other advantages on top. It has a long tradition of office work, with Manchester and Liverpool among the biggest provincial centres in Britain, and there can be little doubt that most companies relocating in the region rate the transfer a success. Barclays aim to build up to a staff of 1,500 at Knutsford and has already summed up the benefits: "Knutsford has proved itself to have many advantages. Motorways and inter-city rail services provide good communication with London and other parts of the country. With the Manchester conurbation close by, staff moving into the area have had a wide selection of houses from which to choose. Local education facilities are adequate and local staff recruitment has so far been entirely satisfactory, particularly among married women who previously had difficulty in finding jobs locally."

Fluor (England), a subsidiary of the Fluor Corporation of Los Angeles, engineers and contractors to the oil and petrochemical industries, chose a modern office block at Eccles, near Manchester, for a new divisional office when expansion in London started to create problems with space and staff requirements. "A survey of the U.K. was undertaken and conditions were found to be best in North-west England. At Eccles, we intend to expand over four floors because we can recruit locally the 200 engineers and draughtsmen we are going to need and we are handy both for the country's second international airport at Manchester and the M61, M62 and M63 motorways," said Mr. Frank Smith, manager of the Manchester office.

The dispersal of London-based Civil Service departments has yet to happen: bodies like NORWIDA would have liked to see a much shorter time scale. Nevertheless, the North-west stands to gain a sizeable boost in its long campaign for more office employment. The total of 4,390 jobs to be directed to the region represents 14 per cent. of the total for dispersal. Merseyside, with the region's most pressing unemployment problems, gets the main share, including 1,250 jobs for the Ministry of Agriculture, 1,000 for the Home Office, 500 for the Foreign and Commonwealth Office and 160 for the Agricultural Research Council. Southport will gain 500 jobs from dispersal of the Office of Population Censuses and Surveys and Blackpool will get 980 jobs in the Department of Health and Social Security. Later West Cumbria should get 380 jobs with dispersal of the Laboratory of the Government Chemist.

Tom Heaney

POLITICS TO-DAY BY DAVID WATT

Why Parliamentary reform is a priority

"WHAT," someone asked the Prime Minister, "do you propose to put into the Queen's Speech this year?" The reply was vague but reassuring: "Oh, there's really nothing to be done. We cannot go on adding to the Statute Book *ad infinitum*. Perhaps we may have a little law reform or bankruptcy reform, but we cannot go on legislating forever."

It would be pleasant to say that the Prime Minister in question was the present occupant of No. 10, but, alas, it was Lord Palmerston and the date was not 1975 but 1864. "Cannot," in this context, is a word unknown to modern governments. In 1900, Parliament added 272 pages to the Statute Book; in 1930 845 pages; in 1950 1,000 pages; in 1974 2,160 pages; and present estimates suggest a record total of more than 2,500 pages in 1975. Where is it all going to end?

Curses

The question is of acute interest to MPs at all times, but particularly at the fag end of a Parliamentary session such as we are in at the moment. Each October the corridors at Westminster ring with the curses of the Whips and the lamentations of back-benchers and Ministers alike.

All these familiar sounds are to be heard at present. What is lacking—and this is familiar as well—is any attempt to consider the broad significance of the situation or to do anything about remedying it. Parliamentary reform, which had many energetic and able proponents in the 1960s (the most eloquent of whom was Richard Crossman), is far out of fashion. Either one is told with weary cynicism that the "old guard" of traditionalist Parliamentarians, backed by the self-interest of the two front benches, will wreck any attempt; or one hears (and I have some sympathy with this argument) that the reform of Parliament, like electoral reform, is merely another flight from the real task of tackling the country's problems. But the trouble is that the practical mischief is there.

Tony Nathan

Parliamentary reform's most eloquent proponent in the 1960s, the late Richard Crossman. To-day, the subject is out of fashion, though the need for it has grown.

Parliament is badly overloaded. The results are not merely the well-publicised ones of late-night sittings, heart-attacks and an increased divorce rate among MPs. Nor is it just a matter of the miserable image of Parliament as a place where there are endless and pointless wrangles over unimportant party points (though this is serious). What the public does not realise is that we are perceptibly worse governed as a result of all this mess. Laws are hastily conceived and badly drafted—with evil consequences in the bureaucratic machine and in the law courts. Ministers, drugged with exhaustion, have neither the time nor the energy, given the load of Parliamentary business on top of everything else, to think strategically and creatively. Back-bench MPs are precluded on the one hand from attending to the needs of their constituents and on the other from fulfilling their proper Parliamentary function of scrutinising the operations of government and canalising the main currents of public debate.

It is all pretty insane and, what is more, it is almost certain to get worse as a result of trends which are now well-established. There is no reason to suppose for all the propaganda about getting government off the backs of the people that a Conservative government would vastly reduce the legislative burden on Parliament. It would be in the grip of exactly the same forces which impel a Socialist government to legislate—namely the complexity of modern industrial society (which means statutory regulation by government even if it does not mean statutory interference) and the expectations aroused in a democratic electorate (which no Parliamentary or electoral system in the Western world has yet prevented being turned into legislative effect).

In addition to this long-term factor there are two others which may or may not turn out to be long-lived. One is the question of the EEC. So long as the European Parliament remains a more or less toothless body, the British Parliament will rightly insist on trying to scrutinise EEC legislation itself and will probably continue to want the British delegation to the European Parliament represented by some kind of dual mandate in the Westminster Parliament as well. The burden on MPs who go to Strasburg is already cruel and seems likely to become killing if taken with their present British duties. There is also every sign that the volume and complexity of Common Market rules and directives to be considered at Westminster will increase.

The other immediate problem arises from the financial squeeze on the pocket of the individual MP. The ravages of inflation, together with the Government's terror of the outcry that is supposed to follow if MPs "award themselves" a proper salary, have combined to reverse the underlying trend towards more full-time Members. Back-benchers on both sides, to say nothing of official Opposition spokesmen, are now tending to supplement their Parliamentary salaries by part-time work of one sort or another—mostly in the field of journalism and public relations. The time consumed by this activity must be taken from other Parliamentary duties, and when these are pressing, something—usually the quality of time and attention given to Parliament—has to give. In the old days it was perfectly feasible to maintain a part-time—sometimes even a full-time—job as well as a seat in the House. This is no longer possible without skimping one or the other atrociously, or killing oneself very rapidly by overwork.

Surveying this outlook is a gloomy occupation, unless one is prepared to think firmly in terms of reform of some kind. The question is what? It is doubtless unrealistic to exhort the Government simply to give up legislation altogether for a bit. But there is no reason why the normal processes by which the legislative programme is arrived at should not be slightly less haphazard. The usual order of events is roughly as follows: Sometime in the spring a senior Minister will get together with his officials for the purpose of reviewing the Department's legislative requirements. It will be discouraged that in addition to the promises in his field contained in the Party manifesto and a number of pet hobby horses of his own, the Minister is *obliged* to consider a large sheaf of proposals which have been lying about the Department for years and for which there is an impregnable case at the moment.

Interviews

Having struggled to reconcile these conflicting plans in the interests of good government, departmental quiet and his own career, the Minister will then go off with the streamlined list to the Leader of the House of Commons. This down-trodden nabob, who knows that he has about 65 days of Government legislative time to play about with during the sitting and who has already had precisely similar interviews with a dozen other Ministers, will wearily cross out three-quarters of the list, prevaricate over the rest and at last submit a small handful to the Cabinet Committee which discusses the legislative programme. Another protracted haggle now takes place with much Monopoly-like trading of title deeds, after which the lucky measures are sent off about July or August to the Parliamentary Council for drafting.

What happens to them after that is another horror story (of which more, perhaps another time), but the main point will already be clear from this recital. There is not much hope of rational selection under the existing procedure. As is usually the case with public expenditure, the powerful Ministers tend to get their way. The first thing needed to bring relief to Parliament is therefore some central machinery—preferably one strengthening the position of the Leader of the House and linking it to a powerful Prime Minister's Department. A Prime Minister obsessed, like Mr. Harold Wilson, with ticking off every item in the election manifesto might not be prepared to enforce restraint by these methods, but others might.

Yet even if this procedure were drastically rationalised it is useless to suppose that it would solve the parliamentary problem. A fundamental look must be taken at this—and without delay. Mr. Edward Short has promised a major survey but the months pass without anything being done. Moreover simply setting up a Select Committee will not be enough to overcome the vast forces of inertia, and, indeed, reaction which stand in the way of changing an institution so steeped in tradition as Parliament. The Government itself ought to be prepared to entertain and even encourage some unconventional ideas.

My own belief is that Parliament will eventually have to adopt a far more clearly structured committee system than the rudimentary network introduced by Crossman. Specialist "subject" committees with their own staff and the power to investigate and to handle legislation in their field are anathema to the traditionalists because they appear to devalue the main debating chamber, and to governments because they might tend to ask awkward questions and loosen party ties. But I see no reason why these difficulties should not be overcome by sensible compromise, as they are indeed in Germany and I can see no other way of enabling Parliament to fulfil its traditional role under modern conditions without such a concentration of effort.

Essential

In any case the exact form of the changes that ought to be brought in matters less at the moment than that it should be recognised that change is urgently needed. Two elements are essential here. One is that actual legislation should be able to be examined in a less hectic atmosphere and the other is that Ministers and MPs should be able to go about their more general parliamentary tasks with far less wasted effort. At the moment Parliament meets and works in an atmosphere of frustration and ennui (one is not allowed to mention the word "efficiency" where hallowed institutions are concerned) which it is in the interests of government, Opposition and back-benches to lift. If this cannot be done the result will not, I suppose, be immediate collapse and breakdown but it will certainly be a deepening appearance of irrelevance and decay.

Letters to the Editor

Reducing our future debt

From Mr. W. Rees-Mogg.

Sir,—I agree with Mr. Anthony Harris' powerful case (October 30) for reducing the future debt burden by the issue of a constant value, low interest Government stock. Indeed I doubt whether the borrowing requirement can be brought back under control without it.

There are, however, two choices. The Government could issue, as he recommends, an indexed stock, or they could issue a gold stock. The advantage of indexation against gold is that it precisely follows the statistical estimate of changes in domestic prices. The advantage of gold is that the commitment survives the currency. In hyper-inflation a domestic indexed stock is not particularly attractive to foreign lenders.

In considering how to deal with the very serious threat which Mr. Harris analyses we should at least keep an open mind between indexed bonds—which may appeal more at home—and gold bonds—which may appeal more abroad. I would prefer the simplicity of the gold commitment which I believe tends to create confidence but at least the two possibilities need to be considered.

William Rees-Mogg.
3, Smith Square,
Westminster, S.W.1.

Crisis in Lebanon

From The Ambassador, Syrian Arab Republic.

Sir,—Your leader of October 28, "The Crisis Deepens in Lebanon," makes certain misleading assertions regarding Syrian policy towards the tragic developments in Lebanon. May I, therefore, be permitted to clarify a number of points relevant to those assertions.

In the first place, Syria views with the utmost anguish and concern the unfolding tragedy in Lebanon. As an Arab country we can only witness with horror the mounting bloodshed which serves no cause except that of the enemies of Arabs everywhere. The close geographic and human links between Syria and Lebanon intensify even further our sense of anxiety and grief.

Second, as events have shown, and as most observers have witnessed, the role of Syria in Lebanon, throughout the many months of strife, has been one of seeking relentlessly to calm the situation down and to achieve a solution acceptable to all parties. The Syrian Foreign Minister, Mr. Abdul Halim Khaddam, has played a leading role in these efforts of mediation which remain, in spite of all, a lasting monument of fraternal concern.

Third, I must take exception to your claim that Syria never recognised Lebanon's régime and the linking of that claim with the non-existence of formal diplomatic relations between the two countries. The latter situation is viewed by both parties as evidence not of estrangement but of such closeness and direct day-to-day contact as to render the establishment of diplomatic missions superfluous and unwarranted. On the other hand, the recognition by Syria of Lebanon's independence, sovereignty and territorial integrity is beyond question.

Fourth, rather than "playing into the hands of Syria," the present crisis in Lebanon is viewed by our Government as being politically and strategically inimical to its interests at a time when its efforts are directed towards achieving a just, overall and lasting peace in the Middle East.

The Lebanese tragedy is, on the other hand, being fomented and fed by forces bent upon diverting attention from the illusory course of partial settlement which they have embarked upon and which has aroused deep fears and hostility among the Arab peoples. Such a course is designed to freeze the issues that lie at the heart of the conflict in the Middle East and to delay indefinitely the implementation of the true principles of lasting peace including, first and foremost, the recognition of Palestinian national rights.

Adnan Omran, Ambassador,
Embassy of the Syrian Arab Republic.
5, Eaton Terrace S.W.1.

'Extraordinary items'

From Mr. M. J. Greener.

Sir,—The vexed question of accounting for what are, often euphemistically, referred to as "extraordinary items" in the reports of public companies is one that has never been satisfactorily answered — despite recommendations of the Accounting Standards Steering Committee.

There is a very good case for arguing that, in the affairs of public companies, there are no expense or income items that need not be shown in the profit and loss account proper. Unusual items occur with sufficient frequency to be accepted as normal trading experiences. The fact that something is not foreseen does not make it so exceptional *or extraordinary* as to merit special treatment particularly as such treatment gives a misleading impression of income.

This was underlined in the recently issued interim report of Hawker Siddeley with reference to "exchange adjustments" which are not shown in the published statement of income and "will be treated as an extraordinary item, not forming part of the trading result, in the 1975 accounts."

Surely, if a company is operating in the export market, any gains or losses arising from changes in exchange rates are a perfectly normal hazard and well known to the company when it enters such a market. It may not know the amount but it certainly is aware of the risk and, therefore, not to show the outcome as a trading item is to give a thoroughly incorrect income figure the materiality of the misstatement depending on the amount involved.

Michael John Greener.
9, Romilly Park,
Barry, Glam.

Selling the goods

From Mr. E. P. Danger.

Sir,—The letter from Professor J. M. Baker (October 28) is salutary. He points out that various motivations were allowed to over-rule commercial considerations in reaching decisions about the Scottish Daily News. Surely this illustrates what is wrong with so much of our industry to-day?

The conflict between production and marketing viewpoints has long been an unfortunate feature of our industrial life and to-day it is worse than ever. From Government level downwards, the whole emphasis is on production at all costs—selling and marketing are almost "dirty words." The facts of life are that the most efficient unit of production will be useless unless it is turning out what the customer wants; if steps are not taken to ensure that the customer knows about the product; and if the products do not reach customers safely, and on time. In other words, industry is a combination of efficient production and good marketing. Both need equal emphasis.

The Scottish Daily News is but one example. Others will be found in the motor cycle industry, cars and machine tools. In all these cases considerations which are primarily production orientated have been allowed to over-ride commercial considerations. It is not that we lack the skills—I believe that British marketing skills are as good as any. What is lacking is the emphasis on using them.

We might learn a lesson from the Japanese. Not only do they have production skills but also their marketing skills are first class and they use them to the fullest possible extent. In consequence they are driving us out of many markets.

Keeping plants running will do nobody any good unless it is recognised that the output of the plants has to be *sold*. The salesman and the marketing expert is just as important as the mechanic and the engineer—perhaps more so in the present trading environment.

E. P. Danger.
43, Duke Street,
S. James's, S.W.1.

Putting down forests

From The Chief Executive, Economic Forestry Group.

Sir,—In your report on the Pulp and Paper Conference at Helsinki on October 28, you place on record Dr. F. C. Hummel's (Head of the Forestry Division EEC Commission) praise for the efforts of state and private landowners in Britain in afforestating more than 1m. hectares of land unsuitable for farming since World War II. This will be some contribution towards EEC self-sufficiency in timber and wood products in years to come.

Unfortunately what Dr. Hummel apparently failed to say was that there has been a dramatic fall-off of almost 50 per cent. in private sector planting in this country during the last year. In spite of the 1974 restatement of Government forestry policy recent changes in capital taxation have been introduced without adequate consultation with forestry interests. This has destroyed confidence in the future of a vital industry in its early stages of development.

Is it not time for positive action by Government to restore this confidence and enable Britain's foresters to continue making an effective contribution to maintaining rural employment and developing a European forest industry to the benefit of generations to come? Only then can Dr. Hummel use us as a shining example of what he proposes for Europe.

John Campbell, B.Sc. For.
26, Old Bailey, E.C.4.

Tunisian incentives

From The Managing Director, Link Overseas Services Ltd.

Sir,—In your special issue on Greece (October 27) your Athens Correspondent says that he believes Greece to be the only country providing constitutional guarantees for investment legislation under Law 2687 of 1953, Article 107.

May I point out that the Tunisian Government gives guarantees to expatriate investors manufacturing for export in their Law 72-38 of April, 1972, for the repatriation of tax-free profits for the first 10 years (and with only 10 per cent. of tax for the subsequent decade), as well as guaranteeing free repatriation of capital, and even capital appreciation, should the investor decide to sell his factory at any time. I also believe that the "hordes of incentives and generous provisions" can be matched by the Tunisian Government not least in its associate membership of the EEC.

J. Ainsleigh-Jones.
124, Gloucester Road, S.W.7.

Pick up the spanner

From the Managing Director, G. A. Engineering Services.

Sir,—On May 1, 1974, I received a quotation for six British machine tools. I confirmed my order on August 16, 1974, requesting delivery of one per month from October, 1975. Subsequently I was informed that the October delivery would not be possible, but that they would consider delivering one per month as from December. I have now been informed that even this delivery cannot be met.

These machines are not to any new high-faluting design. In fact, the basic design goes back over 50 years and has changed but very little in that period.

In view of the utter nonsense that several of your correspondents, including Mr. Clarke, of Plessey (October 14), have been writing concerning the need for fresh designs to our machine tools, might I suggest without any respect whatsoever to these technical belly-achers that they get on with producing machines for which they have had orders for over 18 months, and when they can offer a comparatively simple machine ex-stock, then is the time perhaps to start thinking about the design of new equipment, but until this is so, they should all stop "hitting nail on head" and "pick up b . . . . . spanner and get on with the production" so that we can have the tools, no matter how old-fashioned, to produce the output which is so badly needed for our export markets.

L. R. K. Gregory.
Lower Herne Road,
Herne Bay, Kent.

Hydrofoils v. hovercraft

From The Chairman of Council, The International Hydrofoil Society.

Sir,—Your report (October 20) on the HM5 200-seat hovercraft makes the point that it is cheaper than hydrofoils.

It is disappointing that commercial enthusiasm should emphasise this comparison between two fast transport systems. They are far better considered as complementary, with one system having advantage on one route and another in different route conditions. In some areas such as the Solent they compete.

Comparative capital cost is important but possibly even more so is passenger acceptance from a load factor point of view. This depends on movement in a seaway and other factors. It is necessary to compare like with like.

The larger surface piercing hydrofoils have been in successful operation for some time. The Boeing Jetfoil (250 passengers) which has fully submerged foils and flies straight and level over ten-foot waves is not a project in the future but operates now in Hong Kong and Hawaii with good passenger acceptance.

Best wishes to HM5 next winter. She is British born even though she has American foster parents.

Mark Thornton.
17, Melcombe Court,
Dorset Square, N.W.1.

To-day's Events

GENERAL

Mr. Fred Peart, Minister of Agriculture, visits Cumberland farmers' co-operative, Hexham.

CBI economic situation committee meets, London.

Ulster Constitutional Convention ends three-day session, Stormont Castle.

Mrs. Margaret Thatcher, Opposition leader, visits Birmingham, where she will meet Midlands party workers and attend the Edgbaston constituency association dinner.

Burmah Oil shareholders' action group meets, Glasgow.

President Sadat of Egypt continues official visit to U.S.

Herr Helmut Schmidt, West German Chancellor, continues visit to China.

Shah of Iran continues State visit to Turkey.

Duke and Duchess of Gloucester continue official visit to Saudi Arabia and Philippines.

Association of British Chambers of Commerce team in U.S. to study means of improving trade with U.K.

Figures of construction new orders for August published.

Royal Society of Health conference on Housing Act, Central Hall, S.W.1.

PARLIAMENTARY BUSINESS

House of Commons: Motion on Southern Rhodesia Act 1956 (Continuation) Order.

House of Lords: Petroleum and Submarine Pipelines Bill, third reading.

COMPANY RESULTS

Peachey Property Corpn. (half-year).

Geo. G. Sandeman Sons and Co. (half-year).

Tozer Kemsley and Millbourn (Hldgs.) (half-year).

COMPANY MEETINGS

Finance and Industrial Trust, Abercorn Rooms, E.C., 12.

Meat Trade Suppliers, Winchester House, E.C., 12.

Parker Timber, Deptford, 12.

Pennine Motor, Leeds, 10.30.

Town and City Properties, Winchester House, E.C., 3.

EXHIBITIONS

Animals Fair opens, Old Horticultural Hall, S.W.1.

Home Economics Convention and Exhibition ends, Bloomsbury Centre Hotel, W.C.1.

MUSIC

Halle Orchestra, conductor James Loughran, with Claudio Arrau (piano) play Chopin's piano concerto No. 2 in F minor and Mahler's symphony No. 5 in C sharp minor, Royal Festival Hall, S.E.1, 8 p.m.

Martino Tirimo gives fifth recital in complete Schubert sonata series, Purcell Room, S.E.1, 7.30 p.m.

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COMPANY NEWS + COMMENT

Sheepbridge profit up 44% at halfway

GROUP PROFIT, before tax, of Sheepbridge Engineering for the half-year to September 30, 1975, increased by 44 per cent. to £1.63m. Deliveries were up by 29 per cent. and exports increased by 30 per cent.

In general, order books are healthy "and we expect a good year," says the chairman, Lord Aberconway. Profit for the year to March 31, 1975 was £2.69m.

The interim dividend is stepped up from 1.055p to 1.1258p net per 25p share. Last year's total was 2.855p.

	Six months 1975 £000	1974 £000	Year 1974-75 £000
Sales	21,1??	16,2??	37,546
Profit before tax	**1,631**	**1,136**	**2,685**
Taxation	848	591	1,296
Minority interest	20	14	25
Attributable	763	531	1,261

● comment

Since Sheepbridge boasted a high level of orders at the start of the year there is little surprise in the first-half pre-tax gain of over 40 per cent. Exports, which last year accounted for about 15 per cent. of total sales, have jumped some 30 per cent. and it is significant that Sheepbridge's return on capital employed must now be approaching 18 per cent., which comfortably tops anything seen over the past ten years. Trade remains healthy and the shares at 46p are yielding a prospective 10.4 per cent.

INDEX TO COMPANY HIGHLIGHTS

FEB sees recovery in second half

TAXABLE PROFIT of chemical manufacturers FEB International declined from £204,000 to £152,000 during the first half of 1975 but Mr. G. Fisher, chairman, says that results for the full year should be "comparable" with last year's £297,000.

Profit for the half year is struck after depreciation of £47,000, compared with £39,000, interest payable down from £53,000 to £47,000 and higher pension fund contributions of £43,000, against £35,000. Sales advanced from £3.85m. to £4.23m. and tax takes £79,000 (£111,000).

The interim dividend is 0.65p net (0.67p) equal to 1p gross (same). The chairman and his wife have waived payment on 800,000 shares. For all 1974 dividends totalled 1.33p net.

The chairman says that depressed first-quarter sales in the trading division combined with the inevitable disruptions and associated costs arising from centralisation of this division, affected the first-half profits. However, there has been an improvement in recent months "to a more satisfactory level of profitable trading."

In spite of the unsettled economic climate and general low level of U.K. building activities, the chemical division still continues to be buoyant, both at home and overseas.

● comment

Although 26 per cent. lower than the buoyant corresponding period FEB's first half pre-tax profits are 71 per cent. better than those of the preceding six months which suggests that the downturn is now under control. The builders' merchants side whole of the setback is now beginning to see a pick-up in orders while the chemicals division is continuing to move steadily ahead with exports still enjoying fairly rapid volume growth. Unchanged profits for the full year therefore seem a minimum expectation. At 16p the 'A' shares yield 13.4 per cent. which should be covered at least 2.2 times.

£0.25m. loss at Hawthorn Leslie

ENGINEERS and shipbuilders R. and W. Hawthorn, Leslie and Co. incurred a much heavier loss in the second half of £226,814, leaving the deficit at £251,814 for the year to June 30, 1975. In the previous year the company made a profit of £65,942 after £6,000 in the first half.

The stated loss per 50p share is 10.23p (0.02p) at year-end and the dividend payment is down from 2.8p to 1.5p net.

Before special items there was a profit of £307,839 (£386,650). Provisions for possible losses on work in progress amount to £314,468, compared with £171,462 and development expenditure was £241,191, against £152,406.

● comment

Hawthorn Leslie's share-price rose 6p to 45p on the interim losses, but this is not a completely irrational market reaction. The Sea Horse engine has plenty of commercial potential, and, arguably, development expenditure of £0.2m. could be capitalised and carried forward. Provisions net off against trading profits and relate to the interests threatened by nationalisation—say 85 per cent. of group assets. So brokers estimates of the rump net worth are still intact at 18p a share. Assuming a nationalisation price tag for the relevant assets of 75p, then the potential asset value, after the dust settles, could be about 93p.

O. Summers first half upsurge

ON A TURNOVER up from £3.63m. to £4.52m., first half 1975 group pre-tax profit of O. C. Summers (Holdings) improved from £78,600 to £145,400, and stated earnings per 25p share increased from 1.828p to 3.176p.

If the encouraging results continue for the remainder of the year the directors propose to increase the net dividend from 2.5p to 3p per share. A Treasury permitted interim of 1.5p (1.25p) is declared. Profit for the year 1974 was £161,277.

As to the future the chairman, Mr. O. Jeavons, says it is intended to expand in contracting—the major activity. However, if possible, over the next few years the aim is to accelerate the expansion of other activities in order to provide a more balanced profit base.

In a newly designed style of report, Mr. Jeavons "breaks with the tradition which seems to dictate that a chairman should speculate" on future results.

By the time a chairman has hedged his forecast with the usual, albeit essential, platitudes about economic conditions and other factors beyond his control, any predictions become virtually worthless, he declares.

Claims of approximately £200,000 against a subsidiary relating to prior year's trading and notified in the 1974 annual report have been settled for approximately £120,000. The settlement occurred after June 30 and the half-yearly figures do not reflect the transactions.

Warren Tea Holdings recently increased its holding to 35.34 per cent. of the equity.

	Half year 1975 £	1974 £
Group turnover	4,52?,?00	3,6??,?60
Profit before tax	**145,4?9**	**78,600**
U.K. tax	7?,9?9	40,900
Net profit	65,?00	37,700
Ordinary dividend	30,978	25,791

Increase at Higsons Brewery

EXTERNAL TURNOVER for the year to September 27, 1975, of Liverpool-based Higsons Brewery expanded from £9.7m. to £12.5m. and pre-tax profits increased from £1.19m. to £1.38m. after £0.54m., against £0.51m., for the first half.

Earnings per 25p share are shown to be up from 10.93p to 13.73p and the dividend is lifted from 3.45p to 3.67p net with a final of 3p.

	1974-75 £	1973-74 £
External turnover	12.5m.	9.7m.
Trading profit	1,2??,?55	1,052,720
Bank interest	13,025	104,693
Investment income	37,?47	35,534
Profit sale inv. prop.	32,0?8	—
Profit before tax	**1,376,278**	**1,194,237**
Taxation	6?1,2?0	640,715
Net profit	685,006	553,522
Dividends	2?3,576	260,717

£15,000 utilised from property and plant repair and maintenance reserve (£20,000). Profit before tax for 1973-74 includes £55,549 in respect of James Mellor and Sons and subsidiaries acquired during that year, and after tax group profit for that year £2?,2?7 is pre-acquisition.

● comment

Second-half sales at Higsons rose by only 17 per cent., so the long hot summer had only a modest impact. Higsons attribute its relatively pedestrian turnover gains to the suburban setting of most of the pubs, while the absence of an in-house lager may also have affected performance. Comparison however, with the first-half sales expansion of 46 per cent. is not entirely just, because this period included the pre-Budget spending spree on wines and spirits. Despite the drain on cash balances, evident in the fall in bank interest receivable, the full-year pre-tax gain is still a solid 15 per cent., and an historic p/e of 6.5 at 93p looks a fair assessment.

Dunlop SA deficit

Dunlop SA, an affiliate of Dunlop Holdings incurred a loss of Frs.9.61m. after depreciation of Frs.20.5m. for the first half of 1975 for the whole of 1974 there was a net profit of Frs.0.47m.

Freddie Mansfield

Sir Edward Lewis, chairman of Decca, who yesterday told the annual meeting that first-half 1975-76 results should be comparable with the £5.6m. for the same 1974-75 period.

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Abrasives Intnl.	int.	0.56	—	0.54	—	1.4
Bank of Ireland	int.	6(a)	Dec. 17	4*	—	16*
Border Breweries	int.	0.78	Jan. 6	0.74	—	2.62
BPM Holdings	2nd int.	1.96	Dec. 9	—	—	2.4
BPM Holdings		0.16	May	—	2.56	2.4
M. Burton Property		0.72	—	0.63	1.2	1.13
Courtney Pope		2.55	—	2.25	3.59	3.3
FEB International	int.	0.65	Dec. 18	0.67	—	1.33
James Finlay	int.	2	Dec. 15	1.86	—	3.82
Firmin and Sons	int.	1.0	Nov. 21	1.0*	—	2.76*
Grant Bros.	int.	1.52	Jan. 5	1.52	—	3.88
Greenbank Industrial	int.	0.73	Jan. 5	0.65*	—	1.85*
Hawthorn, Leslie		1.5	—	1.4	1.5	2.8
Highland Electronics		0.8	—	0.6	0.8	0.6
Higson's Brewery		3	—	2.78	3.67	3.45
Linread		2.06	—	1.98	3.05	2.86
Photo-Me Intnl.		1.18	—	1.1	1.18	1.1
Wm. Press	int.	0.38	Jan. 8	0.28	—	1.11
Pritchard Services	int.	0.44	Dec. 12	0.44	—	1.11
Rush and Tompkins	int.	0.88	Jan. 9	0.55	—	2.15
Scott and Robertson	int.	nil	—	0.75	—	1.53
Sheepbridge Engrg.	int.	1.13	Jan. 1	1.06	—	2.85
O. C. Summers	int.	1.5	Jan. 2	1.25	—	2.5
F. W. Thorpe		0.69	—	0.67	1.19	1.12
Transvaal Consd. Land		42(b)	—	25	65	55

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and or acquisition issues. (a) Gross, increase to reduce disparity. (b) South African cents.

Investment & Property Holdings

IN HIS annual statement, the chairman of Investment and Property Holdings, Mr. B. Abbott, tells members that the Board is confident that with a spread of investments throughout Europe, the group will partake in European growth in general. Nearly three-quarters of the investment portfolio is represented by prime City of London property and the directors believe that a return to a more buoyant economy will be reflected in the City and the company, at an early stage.

On immediate prospects he says that there are profits in train from forward sales already contracted, although, failing the disposal of one of the City properties, it is too premature to anticipate that sufficient profits will be generated to cover high interest costs during the current year.

Of the property investment portfolio, £17m. relates to properties in the City of London any of which, if sold, would significantly reduce short term borrowings. Arrangements have been made for the future sale of one of these properties at advantageous terms.

The Board is "constantly aware of the Group's high borrowing position," says Mr. Abbott, and is endeavouring to reduce borrowings without prejudicing future growth situations. For this reason, some low quality investments have been sold at prices below book value, to supplement cash flow. Although the present economic situation in general must give cause for concern, the Board thinks that an adequate cash flow will be maintained during the current year.

The auditors report that the accounts have been prepared on a going concern basis, on the assumption that sufficient sales of properties will be achieved to meet the group's cash requirements and that existing short term borrowing facilities are renewed.

As reported yesterday, turnover fell from £3.81m. to £2.15m. in the year to April 30, 1975, and there was a loss before tax of £1.05m. compared with profits of £305,000. There is no dividend (1.15p net).

Brandts holds 21.4 per cent. of the equity and the National Coal Board Pension Funds 19.5 per cent.

Meeting Sir John Lyon House, Upper Thames Street, E.C., on November 20 at noon.

● comment

Investment and Property Holdings' balance sheet remains highly geared with £5.6m. of shareholders' funds and £25½m. of net debt, of which £22m. is either on overdraft or repayable by 1980. Moreover, the bulk of the properties are included in the books either at their cost of acquisition in 1973 or valuation in that year. The company has not revalued this year. But its message yesterday was that much of the short-term debt is in schemes where there is forward sale commitment and an anticipated profit over book worth—for example, the Broken Wharf project in the City included at cost of £8m., which should be sold in about a year. IPH is, however, unlikely to make a profit until 1976-77, and a capitalisation of £1.3m. at 22p—the low point for the year—is not expecting much in the near future.

NORTHBOROUGH TRUST

The directors of Northborough Investment Trust expect to make a preliminary announcement of the results for the year ended April 30, 1975, on November 14. The delay has been caused by the two recent substantial property sales, which have taken place in Holland and which have fundamentally altered the group's position and the Dutch subsidiary's accounts.

M. Burton Property progress

TAXABLE PROFITS of Montague Burton Property Investments expanded from £1.16m. to £1.51m. in the year ended August 31, 1975, including this time a profit of £109,127 on sale of properties.

Stated earnings per 25p share are up from 1.52p to 1.86p. The final dividend is 0.72p net, raising the total from 1.1306p to 1.2p.

	1974-75 £	1973-74 £
Gross rental income	2,024,906	1,320,320
Net rental income	1,462,069	1,029,778
Net interest payable	65,552	*132,815
Profit props sale	109,127	—
Pre-tax profit	1,505,341	1,162,593
Taxation	755,000	621,000
Net income	750,341	539,593
Interim dividend	181,000	177,000
Proposed final	290,000	275,000

A surplus on revaluation of completed developments of £5,570 (£261,451) has been added to reserves. * Receivable.

A subsidiary of the Burton Group, MBPI acquires and develops office, commercial and industrial properties and holds them as investments.

Meeting, December 4, at 100, Chalk Farm Road, N.W.

London & Provincial

Revenue available for distribution by London and Provincial Trust improved from £428,363 to £469,914 in the six months ended September 30, 1975.

Income amounted to £871,210 (£765,199), subject to expenses £36,061 (£28,371), debenture interest £20,500 (same) and tax £344,735 (£287,965).

An interim of 0.7p net (same) has already been announced—the total for 1974 was 2.4p.

Net asset value per 25p Ordinary share was 103p (61p).

£0.35m. rise for Wm. Press so far

Industrial, civil and mechanical engineering contractors William Press and Son announce group profit before tax up from £1.27m. to £1.62m. for the first half of 1975.

Group trading and the current order intake "continue at a very satisfactory level and results overall so far indicate the maintenance of a progressive trend," say the directors.

Interim dividend is up from 0.275p to 0.375p net per 5p share—last year's total was 1.105p from profits of £3.15m.

	First half 1975 £000	1974 £000
Group turnover	51,000	48,000
Profit before tax	1,616	1,268
Tax	807	639
Profit after tax	809	629
Minority interests	56	21
Dividends	180	133

● comment

William Press' record order book is now being translated into pre-tax profits growth. Interim profits are 28 per cent. ahead and if this pace can be maintained through the second half pre-tax profits could reach £4m., for a prospective p/e of 7.8 at 32½p, up 1p last night, where the maximum yield is 5.8 per cent. Overseas contracting, some 15-20 per cent. of turnover, is still picking up oil/gas separation orders in the Middle East, while the workload from the group's traditional customers in the U.K.—the gas, chemical and steel industries—shows no immediate signs of falling away. The overseas-oriented manufacturing side, which accounted for nearly a fifth of profits last year, is also pushing ahead. The Howdon Yard is currently running profitably but the major module deliveries are scheduled for April-September, 1976. A strong balance sheet (shareholders' funds of £12.4m. supported net borrowings of just £1.9m. last year) completes an optimistic picture.

Statement Page 30

Amal. Metal £4.02m. for nine months

Group profit, before tax, of Amalgamated Metal Corporation contracted from a restated £10.39m. to £4.02m. in the nine months to September 30, 1975, but showed an improvement over the £3.95m. for the corresponding period of 1973.

The world-wide slow-down in industrial activity, reported three months ago, which had affected the level of trading and profit margins, continued during the past quarter, and in the circumstances the achievement of a profit of £4,020,000 is encouraging, the directors state. Profit for the year 1974 was £12.1m. restated.

Stated earnings per £1 share for the nine months were down from 77.1p to 18.5p, or from 74.4p to 33.3p after extraordinary credits of £930,000 (debit £170,000) representing exchange differences arising on assets held abroad less acquisition and merger costs.

	Nine months 1975 £000	*1974 £000	Year *1974 £000
Group turnover	329,660	392,000	733,800
Profit before tax	4,029	18,398	12,097
Taxation	2,290	4,550	5,465
Minority interests	450	610	568
Extraord. credits	920	†170	†896
Net balance	2,159	4,760	4,846

* Restated. † Debits.

The company, a subsidiary of British Amalgamated Metal Investments, is active in metal trading, fabricating, finance, manufacturing, general trading and mining.

Midway rise for Border Breweries

ANNOUNCING an estimated profit of £379,000 for the half year to August 31, 1975, compared with £303,000, the directors of Border Breweries (Wrexham) say they do not anticipate the rate of increase being maintained but the second half is expected to show an improvement over the £324,870 for the previous comparable period.

The net interim dividend is being raised from 0.735p to 0.784p—last year's total was 2.615p.

ISSUE NEWS

Watson & Philip 1 for 2 rights

Scottish Industrial Finance announces that Watson and Philip, food importers and distributors of Dundee, are proposing a one for two rights issue of 2,778,231 Ordinary 10p shares at 20p each. The proceeds will be used for a general expansion of activities and to cover possible acquisitions in the future. Treasury approval has been received for a final dividend of 1.34757p net per share, making a total for the year of 1.97820p net per share on the existing Ordinary capital, and the new shares to be issued will rank for the final dividend. A resolution to increase the Ordinary share capital to allow for the rights issue will be put to holders at an EGM on November 21.

The rights issue will not be underwritten, and the brokers are R. C. Greig and Company, and Joseph Sebag and Company.

HOGG ROBINSON

Hogg Robinson Group proposes a scrip issue of 1 for 4 to increase its Ordinary capital to £6m. by creation of 4m. additional 25p shares. The Board have no plans at present for utilising any of the unissued shares which will remain following the capitalisation issue.

WITAN INVESTMENT

Witan Investment Company announces that 17,095,798 'B' ordinary shares have been converted as from October 1 into 17,095,798 ordinary shares. The equity capital following this conversion consists of 79,222,8.. ordinary shares and 5,513,9.. 'B' ordinary shares.

IC GAS RESULT

Imperial Continental Gas Association announce that acceptances have been received in respect of 4,504,047 new Ordinary Capital stock units, about 92 per cent. of the total number of new Ordinary Capital stock units offered by way of rights on October 2, 1975.

The balance of the rights not taken up have been sold and the net proceeds after deduction of the issue price and the expenses of sale, will (if not less than £1 per holding) be remitted in due course to the persons to whom such rights were allocated.

Jas Finlay ahead to £1.4m. mid-term

IN THE half year ended June 30, 1975, taxable profits of James Finlay and Co., international traders and financiers, increased from £1.23m. to £1.41m., and stated earnings per 50p share are up from 6.8p to 7.2p.

The results include share of associates profits of £526,000 (£240,000), but these exclude the group's plantation interests in India and Bangladesh.

The directors point out that results of associates in India and Bangladesh have been omitted, as with less than half of the crops having been produced and sold by the end of the half-year they would provide no reliable indication of performance or prospects for the year as a whole.

They continue to take a hopeful view of the tea market. Taking into account the continuing inflation of costs "we again look for satisfactory tea profits overall although for some areas these may not reach the levels of last year."

Subject to unforeseen circumstances the directors anticipate that 1975 will show a satisfactory result, and in particular an anticipated reduction of losses from Canada and George Payne (which were unrelieved for tax in 1974) should reduce the group's 1975 tax charge to a more normal level.

It is anticipated that dividends payable in respect of 1975 will be the maximum permitted—an interim of 2.0036p (1.8775p) net is declared. The 1974 total was 3.8175p, paid from profits of £4.35m., which included £1.85m. in respect of plantation interests in India and Bangladesh.

	Half-year 1975 £000	1974 £000
Turnover	18,382	—
Trading profit	866	989
Investment income	14	53
Share of associates*	526	249
Pre-tax profit	1,406	1,284
Estimated tax	757	650
Net profit	619	634
Minorities & Pref. divs.†	28	22
Available Ordinary	647	612

* Excluding plantation interests in India and Bangladesh. † Credit (Debit).

See Lex

Abrasives marginal profit fall

On a turnover up from £827,000 to £925,000, pre-tax profit of Abrasives International was marginally lower at £54,000 (£60,000) for the first half of 1975. Profit for the year 1974 was £176,544.

The present industrial recession and recent high level of inflation, together with further exceptional provisions, affected the profits.

But for the year as a whole the directors expect, in the absence of unforeseen circumstances, to maintain a total net dividend of 1.4p per 10p share. An interim of 0.56p (0.536p) is declared.

The exceptional items of £18,000 include the entire further provisions (after tax relief) for possible claims by customers against a subsidiary. The directors consider it prudent to make the provisions in addition to those made last year but expect them to be adequate in the circumstances.

	Six months 1975 £000	1974 £000
Turnover	925	827
Profit before tax	54	60
Taxation	28	38
Exceptional debits	18	6
Minorities	2	3
Attributable	8	19

Pritchard Services growth

ON A TURNOVER up from £15.1m. to £18.5m., pre-tax profit of Pritchard Services Group increased slightly from £606,000 to £611,000 in the half-year to June 29, 1975, after substantially increased interest charges.

Present indication is that profit for the year will be higher than last year's £1.27m., and as a result the directors anticipate recommending a maximum permitted dividend—1.1124p net for the year 1974. An unchanged interim of 0.4375p is declared.

A good deal of effort and considerable investment continues to go into new development activities, principally in the Middle East, to improve overseas earnings, and security services and timber preservation as means of further diversification in the U.K.

The directors believe these new areas will have a "considerable impact on profits in future years."

Present activities are in building and stone cleaning, security services, linen hire and catering.

Unaudited results for the 26 weeks to June 29, 1975.

	First half 1975 £000	1974 £000	Year 1974 £000
Group turnover	18,500	15,100	32,900
Trading profit	891	822	1,716
Interest	280	216	444
Profit before tax	611	606	1,272
Tax and minorities	343	320	687
Extra-ord. debits	107	10	170
From reserves	101	—	125
Available Ordinary	262	276	540
Dividends	94	94	209

Of the group trading profit £39,000 came from subsidiaries not owned in the first half of 1974.

Costs on new ventures amounting to £101,000 (net of tax) are included as extraordinary items and covered by transfer from reserves.

It is considered prudent to change the policy on deferred expenditure by writing it off as incurred. Accordingly an adjustment has been made to opening reserves of £122,000 net of tax for expenditure incurred last year, and deferred at September 29, 1974, it is stated.

● comment

It was suggested at the end of last year that Pritchard had checked the impact of interest charges but at the half way stage this time a 8 per cent. advance in trading profits has been virtually wiped out at the pre-tax level by a 30 per cent. increase in interest. Once again the stone cleaning and building preservation activities have been somewhat subdued while little progress was seen in the U.K. *cleaning business*. So Pritchard has had to lean on its overseas diversification but the security side seems to be slow in reaching a reasonable return on capital employed. A yield of over 11 per cent. at 13½p is a fair reflection on a group that has been a big spender but has shown little growth over the past year or so.

Upturn at Jas. Harrison

EXCLUDING £151,998 in respect of the sale of development land from the 1974 figure, pre-tax profits of James Harrison Holdings, builders, show an increase from £141,114 to £202,357 for the half year ended June 30, 1975.

The directors state that with the extraction of the exceptional benefit from the land sale a true comparison of the trading position is revealed, and they expect the level of profitability achieved to be maintained in the second half. The 1974 pre-tax figure was £285,000.

Earnings per 10p share for the first half are stated at 2.64p (2.83p including the land sale surplus).

As a matter of policy there is no interim dividend, but the directors are confident that full year results will justify a maximum permitted dividend of 1.5397p net (1.3997p)—equal to 2.36876p (2.15343p) gross.

	First-half 1975 £	1974 £
Profit	202,357	203,112
Contracts and hsng.	129,844	65,012
Joinery loss	32,478	*30,365
Land sale	—	151,998
Rents	25,144	24,280
Interest receivable	21,847	21,454
Taxation	65,766	151,500
Net profit	136,591	142,612

* Profit.

● comment

A pick-up in the Scottish housebuilding market has sent James Harrison's building profits soaring by over 190 per cent. above the depressed figure last time and lifted the first half pre-tax level by 43 per cent. (excluding property sales from the previous year) despite a £62,000 turnround to losses by the joinery division. The increased level of activity has apparently continued into the second six months of the year and with the joinery sector now beginning to show signs of a small improvement the group looks well capable of reaching £400,000 pre-tax for the full year. With the liquidity position now at least as strong as in the 1974 balance sheet—when the group held net cash deposits of £172,000—the shares at 20p, yielding a prospective 12.9 per cent. are not without support.

Decca "soundly based" and confident

WITH MORE than half its sales to overseas customers, and "an excellent cross-section" of capital and consumer goods, Decca is soundly based, states the chairman, Sir Edward Lewis, and "we *can face the future with confidence*."

Sir Edward repeats his earlier forecast that results for the half-year should be comparable with the half-year to September, 1974, when pre-tax profits were £5.6m.

Looking to the full year, however, he says that the group cannot expect to remain immune from the effects of world recession on the marine radar business where new orders are below's last year's levels.

A major part of the marine navigator and survey business is in renting out equipment and services rather than from sales. Decca is not expecting a reduction of such income, only a slow-down in the growth rate of hirings. Substantial overseas orders have been received for radars for the Rapier missile system.

For records the group is now experiencing a seasonal upswing in the U.K.

"When sustained recovery comes in world markets, we are well equipped to expand both turnover and profits, he adds.

As reported on September 4, pre-tax profits fell from £16.29m. to £13.28m. in the year to March 31, 1975. The dividend is 8.67116p (8.125425p) net.

Turnover increased by £17.7m. to £154.3m. Exports rose by 44 per cent. to a record £40.4m. and with sales by overseas subsidiaries of £40m. overseas sales totalled £80.4m.

See Page 31

UB and Bass review joint operations

United Breweries of Denmark and Bass Charrington of the U.K. are jointly reviewing all their overseas operations.

The companies which have agreed that UB's Tuborg will be brewed and marketed by Bass in the U.K., are to consult each other on all future overseas projects.

Bass director Mr. J. Lloyd said Tuborg's share of the U.K. lager market should rise to around 5 per cent. in 4-5 years from the present 2 per cent., while Bass' share of the market should be around 33 per cent. in 1984-85, against 28.4 per cent. now.

Bass brews Tennents and Carling Black Label lagers, as well as Lamot from Belgium which will be gradually phased out of the U.K., he added.

Reuter

YORKS. GENERAL LIFE ASSURANCE

Yorkshire-General Life Assurance Company, the life subsidiary in the General Accident group, has improved its immediate annuity rates by an across-the-board £4 per annum for each £1,000 invested. For example, an outlay of £10,000 will now secure an immediate annuity, payable in half-yearly instalments, of £1,872 per annum for a man aged 70 or £1,560 per annum for a woman aged 65 of a last survivor annuity on both these lives of £1,468 per annum payable until the second death.

Highland Electronics 55% advance

REFLECTING profitable performances by all the trading companies, pre-tax profit of Highland Electronics Group advanced by 55 per cent. to £248,865 in the year ended April 30, 1975, after £130,126 (£139,232) in the first half.

Export sales during the year, which increased by 30 per cent., are continuing to expand in the current year while sales "are above forecasts and outstanding order books are satisfactory," the directors report. The group "is generating a positive cash flow enabling an active expansion of manufacturing facilities to be investigated."

Stated earnings per 20p share are up from 0.82p to 1.11p and dividend payment for the year is 0.8p net, compared with 0.6p, subject to treasury approval.

	1974-75 £	1973-74 £
Turnover	3,391,551	2,651,536
Trading profit	239,497	188,914
Invest. income	6,038	15,366
Credit provisions‡	1,339	*25,920
Except. Debit	—	28,728
Profit before tax	248,865	159,632
Tax	151,652	88,000
Profit after tax	97,213	71,632
Dividend	70,017	52,518
Forward	136,280	109,084

* Debit. ‡ Alteration in market value of quoted investments.

● comment

Highland Electronics' interim figures lend themselves to re-adjustment. Trading profits only rose by a fifth, so the higher pre-tax advance owes a lot to the exceptional factors which depressed the 1974 outcome, like provisions against quoted investments, and £29,000 of extraordinary debits. In addition, this year's trading outcome reflects recovery into the black of last year's two loss-makers—Ardente and Redcliffe. So the other divisions produced static profits. Highland is pleased, however, about its improved control of working capital requirements, and both debt and stocks apparently are running at satisfactory levels. At 10½p, the prospective yield is over 11 per cent.

Copson aims for higher profits

The aim of F. Copson Company, suppliers of heating equipment and builders' materials, is to maintain and by all means possible improve turnover and profits in the current year, says Mr. F. Copson, in his chairman's statement.

To date, turnover is "well in excess" of the corresponding period last year, he reports.

The sanitary ware side of the business, which in the previous year showed a falling off, has shown a "welcome improvement" and is progressing in spite of fiercer competition and somewhat lower profit margins. The heating section continues to maintain a strong position in the market with increasing turnover. He anticipates no major difficulties in maintaining this position next year.

Oxby Warm Air, 67 per cent. owned, holds a record order book for the year ahead.

As known, pre-tax profit for the year ended April 30, 1975, advanced from £92,455 to £117,318 and dividend payment is up from 0.55125p to 0.605375p net, the maximum allowed. The chairman and Mrs. F. E. Copson have waived dividends amounting to £9,096 (£8,269).

The Company is close. Meeting, Sutton Coldfield, November 21, at 12.30 p.m.

Linread down to £0.37m.

AFTER FALLING from £294,000 to £196,000 in the first half, pre-tax profits of cold forged fasteners makers Linread finished the 53 weeks to August 2, 1975, down from £579,000 to £370,000. Turnover rose from £7.37m. to £9.11m.

The final dividend is 2.06173p net for a 3.05339p (2.8612p) total. Holders of "A" shares will receive a 0.11969p (0.1296p) dividend and a 15.3863 (18.1606) per cent. scrip issue. Earnings per 25p share (adjusting for scrip issues) are shown to be down from 6.46p to 5.03p.

	53 weeks 1974-75 £000	Year 1973-74 £000
Turnover	9,112	7,370
Total profit*	897	1,048
Depreciation	256	262
Interest	271	207
Pre-tax profit	370	579
Taxation	119	261
Net profit	251	318
Extraordinary items	143	27

* Including unfranked income £17,000 (£56,000), and partnership income £46,000 (£72,000).

PHILIP HILL INVESTMENT TRUST LIMITED

Interim Statement

The Directors have declared an interim dividend of 2p (2p) per share on the Ordinary Capital in respect of the year ending 31st March 1976, payable on 15th December 1975 to Shareholders on the Register on 7th November 1975.

The unaudited figures for the half-year to 30th September 1975 are as follows:—

Year to 31st March 1975 £	Half-Year to 30th September 1974 £		Half-Year to 30th September 1975 £
		REVENUE	
		Gross Revenue:	
3,387,000	1,959,000	Franked	2,131,000
1,996,000	973,000	Unfranked	927,000
5,383,000	2,932,000		3,058,000
(235,000)	(132,000)	Administration expenses	(168,000)
(1,448,000)	(889,000)	Interest charges	(494,000)
(200,000)	(39,000)	Corporation tax	(138,000)
(1,126,000)	(619,000)	Tax imputed to franked income	(746,000)
(48,000)	(24,000)	Preference dividends	(24,000)
£2,326,000	£1,229,000	Net earnings	£1,488,000
5.17p	2.73p	Earnings per share	3.29p
£900,000 (2p)	£900,000 (2p)	Interim dividend (per share)	£905,273 (2p)
Final £1,350,000 (3p)			
£	£		£
		CAPITAL	
76,142,000	54,365,000	Gross Assets	93,236,000
127p	73½p	Net Asset Value per share	160½p
130½p	82¼p	Net Asset Value allowing for conversion of the Loan Stock	161½p
6¼p	2½p	100 per cent. of the investment currency premium included above	6p
2p	Nil	Contingent liability to capital gains tax	8p

8 Waterloo Place, London SW1Y 4AY.

28th October 1975.

Transvaal Consolidated Land and Exploration Company, Limited (T.C. Lands)

(Incorporated in the Republic of South Africa)

PROFIT ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 30TH SEPTEMBER, 1975 AND DECLARATION OF FINAL DIVIDEND

Financial Results

The consolidated audited results of T.C. Lands and its subsidiaries for the year ended 30th September, 1975 are given below together with the results for the previous financial year:—

	Notes	Year ended 30th September 1975 (R'000)	1974 (R'000)
Turnover	1	41 540	24 412
Consolidated profit before taxation		15 102	10 536
Taxation (normal and deferred)		3 543	1 862
Consolidated profit after taxation	2	11 559	8 674
Less: Profit attributable to outside shareholders in subsidiary companies		1 576	468
Interest of members of T.C. Lands		9 983	8 206
Shares in issue		7 304 838	7 304 838
Earnings per share		136.7c	112.3c
Dividends per share		65.0c	55.0c
No. 71 interim of 23 cents paid			
No. 72 final of 42 cents			

Notes

1. Turnover is the revenue derived from the coal, chrome and timber operations of the subsidiary companies.
2. The after tax profit from investment realisation amounted to R709 000 (1974—R598 000) equivalent to 9.7 cents per share (1974—8.2 cents per share) for the year.
3. In accordance with past practice, no profits arising from interests in Mocambique of a subsidiary company have been included in these results.

Final Dividend No. 72

A final dividend of 42 cents per share has been declared in terms of the Dividend Notice published herewith.

General

Copies of this report will be despatched to all registered shareholders from the office of the transfer secretaries in Johannesburg and of the United Kingdom registrars and transfer agents as soon as possible. The company's annual financial statements will be issued early in December, 1975.

For and on behalf of the Board,
A. C. Petersen, Chairman } Directors
R. S. Lawrence }

Registered Office:
15th Floor,
63, Fox Street,
Johannesburg, 2001.
30th October, 1975.

Declaration of Dividend No. 72

Notice is hereby given that Dividend No. 72 of 42 cents per share has been declared in South African currency as a final dividend in respect of the year ended 30th September, 1975 payable to members registered in the books of the company at the close of business on 28th November, 1975 and to persons presenting coupon No. 73 detached from bearer share warrants. The dividend on share warrants to bearer will be paid in terms of a notice to be published later by the London Secretaries of the company.

The rate of exchange at which the dividend will be converted into United Kingdom currency for payment of the dividend from the office of the London Secretaries will be the telegraphic transfer rate of exchange between Johannesburg and London ruling on the first business date after 28th November, 1975 on which foreign currency dealings are transacted.

The register of members will be closed from 29th November to 7th December, 1975 inclusive, and dividend warrants will be posted to shareholders on or about 6th January, 1976.

Where applicable non-resident shareholders' tax of 15 per cent. will be deducted from the dividend.

The full conditions of payment of this dividend may be inspected at or obtained from the Johannesburg or the United Kingdom offices of the company.

By order of the Board,
RAND MINES LIMITED.
Secretaries
per M. B. Dunderdale

United Kingdom Registrars and Transfer Agents:
Charter Consolidated Limited,
P.O. Box 102,
Charter House,
Park Street,
Ashford, Kent TN24 8EQ.
30th October, 1975

Transfer Secretaries:
Rand Registrars Limited,
49, Jorissen Street,
Braamfontein, Johannesburg 2001
(P.O. Box 31719, Braamfontein, Johannesburg 2017, South Africa)

Glaxo invests for the future—in production and research

Highlights from the Statement by Austin E. Bide, Chairman and Chief Executive.

In a year where cost increases of a magnitude without precedent affected every aspect of the business, it says much for the strength of the product portfolio that the increased volume of our products sold, even at inevitably reduced gross margins, was able to generate enough gross profit to absorb all the additional operating expenses and overheads, including a 50% increase in expenditure on research and development. Our current rate of spending on R & D worldwide is about £14 million per annum and I believe that results will amply justify the cost.

Whilst we are continuing to make every effort to achieve economies, we have not restricted productive investment for the group's future, either in our manufacturing capacity or in research and development.

The successful £30.8 million Rights Issue in June enables the Company to take advantage of opportunities for profitable investment at home and overseas. Additional funds were also required for extending research and for further plant to manufacture new products.

Group sales, excluding wholesaling, at £246 million rose by £43 million or 21% over the corresponding figure last year. Sales overseas at £193 million showed an increase of 22% and exports increased by 10% to £75 million. Sales in the UK, excluding wholesaling, at £53 million showed an increase of 18%.

It was, I feel, a creditable achievement for the group to maintain its trading profit at last year's level of £45 million. Earnings per share at 29.5p compared with 31.9p last year. The proposed final dividend of 5.16p makes a total dividend for the year of 8.31p, compared with 7.387p for 1973/74.

The Future

Results in 1975/76 are bound to be influenced by the forces of inflation that are still at work throughout the world. I consider nevertheless that your company will be able to take advantage of the opportunities to progress. But any such opinion is bound to rest to some degree upon an assumption that the present UK level of inflation will be reduced to manageable proportion within reasonable time and that the nation's productivity can be improved.

Review of the Year

Manufacture in the UK and Overseas

We have lately added to the group's secondary manufacturing capability in Brazil and Uruguay to formulate and package primary materials from the United Kingdom and a similar extension is planned in Greece. Our plans for a new factory in Spain, still await final approval from the authorities, but we have every confidence that they will go forward this year.

In the UK, manufacturing capability for metered-dose aerosols has been expanded, particularly of the important anti-asthmatic products *Ventolin* and *Becotide*. We opened a plant at Sheffield for the manufacture of soft-metal surgical instruments and a small factory at Littlehampton for the production of disposable plastic surgical appliances.

Trading Worldwide

Pharmaceuticals and Foods The continuing growth of the sales of our pharmaceutical specialities throughout the world reflects the breadth of our product list and the therapeutic benefits that they offer. The success of our recently introduced speciality products emphasises the underlying strength of our research activities. Sales of our cephalosporin antibiotics continue to grow and expanded capacity for *Ceporex*, the oral product, ensures our ability to meet all demands for some years to come. *Ventolin* and *Becotide* continue to advance, and *Ventolin* is now the most widely prescribed bronchodilator in many countries of the world. A third metered-dose aerosol product, *Beconase*, used for the treatment of perennial and seasonal allergic rhinitis, including hay fever, has been added to the range and substantial sales have already been achieved. Our dominant position in the topical corticosteroid market has been strengthened by *Dermovate*, a preparation for the treatment of severe and intractable skin conditions.

We have continued steadily to build up our trade overseas, to establish local subsidiaries wherever benefit may be gained by doing so, and to enlarge our interest in joint ventures. Our distributor in Greece, Stam. Harvalias S.A. has become a group subsidiary.

In Switzerland we now promote our goods through a wholly-owned subsidiary Glaxo A.G. and in Austria our business is now handled by Glaxo Pharmazeutika Gesellschaft m.b.H. We have lately formed a subsidiary in Chile. In the important Japanese market our Japanese Associates consented to our enlarging our shareholding in the Shin Nihon Jitsugyo company from 20% to 30% and in the near future to increasing it again to 50%. Our shareholding in the manufacturing company, Glaxo-Fuji Pharmaceutical Laboratories Limited, will also be increased from 40% to 50% during 1975.

In the UK, pharmaceuticals achieved a satisfactory result due largely to progress by *Ventolin* and *Becotide*, by *Ceporex*, and by *Dermovate*. Our position in the UK as the leading house for topical corticosteroids was further improved.

UK pharmaceutical wholesaling through Vestric Limited showed a good performance. Sales of £83.9 million were 25% ahead of last year and trading profit at £2.8 million was an increase of 27%.

In the UK market for ethical veterinary medicines we maintained our leading position and improved our market share.

The formation of the Glaxo-Farley foods division has now been taken a stage further by concentrating the manufacture and sale of all the group's food products in the UK into Glaxo-Farley Foods Limited, a separate subsidiary company. The early results of these changes are encouraging.

Other Activities The agricultural and horticultural trade carried on through Murphy Chemical Limited improved significantly on last year's results. Turnover at £5.5 million was 41% ahead and produced a trading profit of £0.6 million.

Staff

Once again the Board wishes to record its deep appreciation of the efforts made by our colleagues at all levels. We are continually refining our procedures to engender and maintain a full sense of responsibility in our managers and other employees and to reinforce and expedite the processes of consultation and decision. In this way we aim further to develop that sense of true involvement and participation which is needed to enhance morale in these difficult days and to improve job security and job satisfaction.

The product names in italics mentioned above are REGISTERED TRADEMARKS.

Glaxo Holdings Limited

Clarges House, 6-12 Clarges Street, London, W1Y 8DH Telephone: 01-493 4060 Telex: 25456

For a copy of the Chairman's full statement and the Report and Accounts, please apply to the Secretary.

Glaxo confident of progress

CURRENT YEAR results of Glaxo Holdings are bound to be influenced by the force of inflation, says the chairman, Mr. A. E. Bide.

But he considers that the company will be able to take advantage of the opportunities to progress and that shareholders' confidence will continue to be justified by results.

Mr. Bide stresses, however, that any such opinion rests to some degree upon the assumption that the present U.K. level of inflation will be reduced to manageable proportion within reasonable time and that the nation's productivity can be improved.

As reported on October 14 group pre-tax profit decreased from £42.6m. to £41.43m. in the year to June 30, 1975, and the dividend is raised from 7.58675p to 8.31p.

Conditions tested more searchingly than anything in most people's experience the robustness of the group, says the chairman.

In a year where cost increases of a magnitude without precedent affected every aspect of the business the company was able to generate enough gross profit to absorb all the additional operating expenses and overheads, including a 30 per cent. increase in expenditure on research and development.

Every effort continues to be made to eliminate waste of any kind. But productive investment for the group's future either in manufacturing capacity or in research and development, have not been restricted. The current rate of spending on R and D world-wide is about £14m. per annum, and the chairman believes that results "will amply justify the cost."

Though uplifted oil prices noticeably influenced raw material and energy costs, the greatest cause of erosion of margins was the cost of work, whether applying to bought-in materials and services or to paying wages and salaries throughout the group. In 1974-75 wages, salaries and companies' contributions to pensions and social welfare schemes alone, amounted to about £22m. more than in the preceding year.

Exceptional cost increases began to be felt during 1973-74, but made their full impact in 1974-75 on manufacturing costs and operating expenses, and both gross and net profit margins suffered.

In addition, the sudden weakness in the international market for bulk products put an extra burden on margins in this sector.

Because it is not practicable to raise quickly the prices of prescription medicines paid for by health services around the world, it did not prove possible to introduce price increases early enough in the year for them to make any significant contribution to profits.

In the circumstances, the chairman feels "it was a creditable achievement for the group to maintain its trading profit at last year's level."

During the year £18.2m. was invested in land, buildings, plant and equipment. Year-end commitments were £4.84m. (£11.97m.) contracted, and £23.67m. (£5.51m.) authorised but not contracted.

A geographical analysis of turnover shows U.K. £124.3m. (£100.7m.) after deducting sales to Vestric £12.3m. (£10.9m.); Europe £86.9m. (£67.9m.); Asia £51m. (£40.8m.); the Americas £25.2m. (£22.1m.); Africa £18.2m. (£15.6m.); and Australasia £12.2m. (£11.5m.). Goods exported from the U.K. amounted to £75.1m.

The chairman's emoluments went up from £32,650 to £36,607, but the taxed balance was down from £12,770 to £12,150.

Meeting, Park Lane Hotel, W., December 8, noon.

See Lex

Chairman's statement Page 29

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-divisions shown below is based mainly on last year's timetable.

TODAY

Interims:—C.N.A. Investment, De Vere Hotels and Restaurants, East and West Investment Trust, Andrew R. Findlay, Francis Industries, Peachey Property, George G. Sandeman, Scottish Ontario Investment, H. C. Slingsby, Tozer Kemsley and Millbourn.

Finals:—Talbex, Ulster Television.

FUTURE DATES

Interims:—

Cater Ryder	Nov. 5
Daily Mail and General Trust	Dec. 3
Folkes (John) Hefo	Nov. 19
Overseas Investments	Nov. 7
Progressive Sec. Invest. Trust	Nov. 13
Whitbread	Nov. 5

Finals:—

Arenson (A.)	Nov. 11
Beazer (C.H.)	Nov. 3
Cedar Investment Trust	Nov. 4
M. Y. Dart	Nov. 6
[illegible] Industries	Nov. 10
[illegible] Industrial Investments	Nov. 5
[illegible]	Nov. 11
Wemyss Investment	Nov. 4

Upsurge at F W Thorpe

Lighting equipment manufacturers, F. W. Thorpe reports pre-tax profits up from £182,248 to a record £278,789 for the year to June 30, 1975, after a jump from £70,801 to £136,718 for the first half.

Turnover for the year expanded from £1.43m. to £2.00m. including exports of £347,937 compared with £135,492.

The dividend total is raised from 1.117p to 1.19p per 10p share with a final of 0.69p.

£11m. so far at Bank of Ireland

OPERATING PROFIT of Bank of Ireland rose from £9m. to £10.2m. in the half year to September 30, 1975. An improved contribution of £1.8m., against £1.31m., from the subsidiaries, and a lower provision of £1m., compared with £2m., against advances, left pre-tax profits up from £8.32m. to £11m. Pre-tax profits for all of 1974-75 were £18.09m. after provisions against advances of £4.5m.

Basic earnings per £1 share for the first half are shown to be up from 20.3p to 26.4p, and fully diluted from 19.1p to 23.5p.

To reduce disparity the interim dividend is effectively lifted from 4p to 6p gross. The directors point out that the increase should not be taken as indicating any increase in the overall distribution—equal to 16p last time.

The outcome for the year to a great extent will depend on the level of bad debts in the latter half and also to the degree to which the effects of changed cost elements can be reversed, members are told.

	Six months 1975 £000	1974 £000
Operating profit:		
Bank	10,294	9,009
Subsidiaries	1,800	1,311
Total	12,094	10,320
Provn. against advances	1,000	2,000
Profit before tax	11,094	8,320
Tax	5,534	4,041
Net profit	5,560	4,279
Minorities	221	139
Attributable	5,339	4,140
Interim dividend	737	532
Retained	4,602	3,608

A consolidated statement of condition, taken in conjunction with the accounts shows a marginally improved earnings of 1.36 per cent. on total assets as compared with 1.53 per cent.

Midway loss at Pennine Motor

Pennine Motor Group reports a reduced loss of £83,083 for the half year to July 31, 1975, compared with £98,007 for the first half last time and £336,952 for the full year to end January 1975.

The loss was struck after interest of £25,662 (£57,236) and directors compensation for loss of office of £21,000 (£22,000). Turnover was £1.67m. against £2.94m.

There is no tax charge (same) and a surplus on disposal of operating units adds £21,000 (nil), leaving a net loss of £62,083 (£98,007).

There is no interim dividend. The last payment was an interim of 0.3675p net for 1973-74.

London & Holyrood

Income of London and Holyrood Trust increased from £572,799 to £602,996 in the half-year to September 30, 1975.

An unchanged interim dividend of 0.7p net per 25p share has already been declared. For the year to March 31, 1975 the total was 2.55p from income of £1.08m.

	Six months 1975 £	1974 £
Income	602,996	572,799
Expenses	29,500	22,245
Interest	29,019	45,806
Taxation	219,438	159,728
Available	334,969	312,029

Net asset value per share 105p (36p).

Arenson forms new division

A. Arenson has launched a new division to penetrate and to capture a large slice of the domestic furniture market.

A totally separate marketing/sales and administrative division has been formed under the name of Arvin Furniture.

One of the objectives behind the launching of Arvin is to enable the group to use its production and development resources to keep more in line with the changing emphasis of spending in the public and private sectors during the peaks and troughs of the economic trade cycle.

By operating in both the office equipment, as well as the domestic furniture market, the group goes a long way to achieving this end as each have their peak trading periods at different parts of the economic pendulum swing.

BPM down by £1.4m.

Continuing the decline of the first half, second half pre-tax profit of BPM Holdings amounted to £410,000, making a total for the 52 weeks ended June 28, 1975, of £1.23m., which compares with the £2.6m. achieved in the previous year.

Sir Michael Clapham, chairman, states that the fall in profitability, coinciding with heavy capital expenditure on new technology, will strain cash resources in the current year when tax on the buoyant 1974 trading profit has to be paid. He believes, however, that with the heavy investment in photo-composing and computer equipment the company is "well placed to increase its prosperity when the economic upturn begins."

He points out that the year has started badly, owing to the journalists' dispute but this is now over.

Net earnings per 25p share are shown to be down from 7.775p to 3.875p and the dividend total is 2.56183p net (2.4007p), with a second interim of 1.96319p and a final of 1.16124p.

Meeting, Birmingham, November 28 at 12.30 p.m.

The chairman says that by the end of June, 1975, the underlying rate of increase in costs had begun to ease, leaving declining volume as the major worry.

The company was also managing to cary the costs of equipment, staff and accommodation for the Sandwell Evening Mail, and for major computer development, without any of the potential benefits. Both will begin to make a contribution in the current year, he adds.

Scott & Robertson downturn

FIRST HALF (to August 29, 1975) pre-tax profit of Scott and Robertson, jute, textiles, etc., manufacturers, fell sharply from £507,436 to £47,746, and payment of an interim dividend is omitted, compared with 0.7305p net per 25p share.

The chairman, Mr. H. B. Pirie, says difficult trading conditions were anticipated when in 1974 steps were taken to conserve liquid resources and a policy of strict control of borrowings was adopted.

As a result, despite the low level of profit and the severity of the present recession in the business, finances remain strong and the cash flow remains satisfactory.

Profit for the year to February 28, 1975 was down from £922,788 to £573,130, and the total dividend was 1.534.

	Half year 1975 £	1974 £
External sales	6,643,000	9,202,000
Profit before tax	47,746	507,436
Taxation	27,541	251,000
Net profit	20,205	256,436
Extraordinary items	12,031	—
Balance	32,236	256,436

Explaining the main reasons for the fall in profits, Mr. Pirie says the market in the EEC for synthetic mesh bags, manufactured in Holland, collapsed as a result of severe competition from cheap imports. Both German and Dutch manufacturers were adversely affected and have been forced to make serious cuts in production.

The value of the Dutch stock of bags which was at a normal seasonal high had to be written down and thus has resulted in a loss.

Also, in the U.K., the market for packaging products, suffered from intense competition due to over-supply and a sharp fall in demand: this led to a reduction in both polythene manufacturing and trading activities.

Thirdly, while the group's main manufacturing activities in Dundee operated profitably and made a significant contribution, their results were appreciably lower than in 1974, reflecting lower demand levels from the carpet industry and pressure on margins.

Greenbank well ahead at halfway

FIRST HALF 1975 profit, before tax, of Greenbank Industrial Holdings improved from £281,415 to £389,010—for all 1974 the figure was £0.74m.

Adjusting for the two-for-seven scrip, the interim dividend is up from 0.684 to 0.73p net. The 1974 total was equivalent to 1.831.

The directors report that group engineering sales are at a record level and the order book continues to be satisfactory. Due to the general recession in house property sales no developments are expected to be completed in 1975.

	Half-year 1975 £	1974 £
Sales	2,515,206	1,870,373
Depreciation	24,042	20,153
Pre-tax profit	389,010	281,415
Taxation	202,285	148,265

Photo-Me jumps to £0.8m.

AFTER A marginal rise from £553,000 to £557,000 for the first half, pre-tax profits of Photo-Me International finished the year to April 30, 1975 up from £632,673 to £804,916 on turnover of £10.59m. against £7.79m.

Earnings are shown to be up from 11.77p to 13.82p per 50p share and the dividend is lifted from 1.1025p to 1.175p net.

	1974-75 £	1973-74 £
Turnover	10,591,775	7,758,321
Trading profit	804,916	632,673
Tax	412,673	330,757
Minorities	102,010	73,720
Extraordinary debits*	131,253	17,370
Dividend	24,675	23,153
Retained	174,285	206,373

* Including goodwill written off of £201,965.

Rush & Tompkins

Pre-tax revenue of Rush and Tompkins Group decreased from £320,000 to £233,000 in the first half of 1975, but the chairman, Mr. D. J. Palmar, anticipates that the year's figure "will not be dissimilar" from the £586,937 for the year 1974.

Efforts will be concentrated on the construction side and in the oil-producing countries.

Although a number of industrial and residential development projects are being investigated in the U.K., he says only those which meet stringent criteria, both as to profitability and as to their effect on short-term borrowings, will be embarked upon.

Negotiations are in hand to dispose of a substantial property which has recently been completed. Most of the proceeds will be available to reduce borrowings.

The interim dividend is 0.875p net per 25p share, as before. Last year's total was 2.15p.

	Six months 1975 £000	1974 £000
Turnover	11,588	11,763
Interest charges	496	404
Management expenses	115	108
Pre-tax revenue	233	320
Taxation	124	195
Minorities loss	10	4
Attributable	119	129

MINING BRIEFS

MOUNT ISA MINES—Production September 29 to October 26: Lead ore treated 155,602 tonnes, produced 10,390 tonnes crude lead and 16,911 tonnes inc concentrates: Copper ore treated 314,409 tonnes, produced 11,600 tonnes blister copper.

BIDS AND DEALS

Hawker Siddeley—U.S. talks break down

Hawker Siddeley and Studebaker Worthington announced yesterday that they have failed to arrive at a definite agreement implementing their previous agreement in principle whereby Hawker Siddeley was to acquire a 50 per cent. interest in the U.S. Onan Corporation.

No particular reason has been given for the breakdown of the discussions but it is believed to concern the details of the joint ownership deal.

However, both companies emphasise that they intend to continue discussions "with respect to a possibility of reaching an agreement for some alternative form of transaction" involving Onan, which is 80 per cent. owned by Studebaker Worthington.

Hawker Siddeley said last night that it is still committed to its basic strategy of expanding its diesel technology interests in the U.S.

The deal, which would have cost Hawker Siddeley £24m., would have given it a major foothold in the U.S. and provided a base for further expansion, particularly for electrical goods.

Onan currently manufactures electric power generation products and both petrol and diesel engines at its two factories, with sales channelled through 90 domestic and 100 foreign distributors.

See Lex

FMC—NFU

The Association of Investment Trust Companies has sent a letter to the deputy chairman of FMC, Mr. E. de Grey Seaman, to the effect that its members feel the information so far given to shareholders fails to give sufficient guidance as to the policy of NFU should it gain management control of the company.

On this basis, the letter urges that the resolutions put so far should be deferred until such time as all the information is made available to FMC shareholders.

In the meantime, the chairman of NFU Development Trust, Mr. David Darbishire, has given the assurance that "all members of the Board of FMC, old and new, are totally committed to seeing that FMC continues to operate on a fully commercial basis and remains a successful and profitable enterprise."

Mr. Darbishire urges shareholders to vote in favour of the proposals put forward. He reminds shareholders that ever since the company was floated in 1962 NFU Trust has not held less than 35 per cent. of FMC and that "this is a stake which is considered, and the rules of the Takeover Panel acknowledge, gives the trust effective control of FMC, and the responsibilities that go with such a position."

SHARE STAKES

Forminster-Slater Walker Securities, its subsidiaries investment trusts, etc., are interested in 302,757 Ordinary shares of the company (13.49 per cent. of the equity). This is not a disclosure under the Company's Act.

Adda International-Slater Walker Securities has reduced its holdings by 750,000 shares and at October 20 was interested in 3,009,448 shares (16.93 per cent.).

Ciro Holdings announces that Howard and Wyndham is now interested in 2,200,800 shares (32.92 per cent.).

New Sylhet Holdings announces that Mr. D. Kellett is now interested in 53,838 shares (28.04 per cent.).

Holdings of Norddeutsche Affinerie in Amalgamated Metal Corporation has increased from 769,682 to 859,813 shares (13.68 per cent.) and the holding of Patino NV has increased from 3,154,716 to 3,232,610 shares (51.43 per cent.).

Property Security Investment Trust announces that Brown Shipley Development (subsidiary of Brown, Shipley Holdings) has acquired 1.5m. Ordinary shares in the company and that the beneficial interest of BSH through group companies is 1.55m. shares, just over 10 per cent.

J. E. Sanger—Mr. J. E. Sanger on October 15 sold 1.31m. shares. In September Mr. Sanger bought 3,938 shares and two family trusts of which Mr. Sanger is a co-trustee bought 10,500 shares and sold 15,000 shares. Mr. J. E. Sanger's beneficial holding in the company is 3.27m. shares representing 32.7 per cent. of the company. In addition Mr. Sanger holds as co-trustee 138,924 shares in two family trusts, representing 1.3 per cent. of the equity.

LLOYDS & SCOTTISH

The official document containing details of the proposed sale of Alex Lawrie Factors, a subsidiary of Alex Lawrie Holdings, which is itself wholly-owned by Walter Duncan and Goodricke, has been sent out to WDG shareholders. Subject to holders' approval, ALF will be sold to Lloyds and Scottish on November 1 for £1.76m. In addition, dividends totalling £419,000 have been paid by ALF to Alex Lawrie Holdings.

The document explains that the reason for the sale is that growth in the subsidiary "has brought with it demands for increasingly substantial lines of finance which WDG could no longer secure." Earlier discussions with Walter E. Heller Corporation were discontinued when Lloyds and Scottish topped its offer by £160,000.

RANK SELLS IRISH TV RENTALS BUSINESS FOR £2M.

Ren Tel, a subsidiary of the Rank Organisation, has agreed to sell its television rental business in the Irish Republic to Radio TV Rentals, a subsidiary of the Electronic Rentals Group for about £2.1m.

The assets to be acquired include all television receivers and related rental agreements together with certain properties, stock and servicing spares.

Of the consideration £1m. is payable on completion and the balance in four instalments between December, 1975 and March, 1976.

The acquisition consolidates the position of RTV as TV rental market leader in the Republic and will enable it to take advantage of the anticipated boom in colour TV.

Although Ren Tel made a profit before tax of £64,000 in the year to October 31, 1974 trading in the current year would have resulted in a loss of about £70,000.

'IMPS' SELLS ALBION BOTTLE

Agreement has been reached with Imperial Group for the sale of the Ordinary capital of Albion Bottle Company to the present chairman, Mr. W. R. C. Halpin, and the present managing director, Mr. R. J. G. Kowal.

Imperial will retain an investment interest by way of unsecured loan notes and intends to maintain its close trading relations with the company.

An extensive re-organisatoin has been carried out over the past year under the direction of Mr. Halpin and Mr. Kowal, including re-equipment with modern plant. Mr. Halpin and Mr. Kowal intend to continue with the present policy and operations of Albion Bottle. Adequate financial resources are available.

BOUSTED STAKE IN UNOCHROME AUSTRALIA

Bousted, formerly Taiping Rubber Plantations, has, through its Singapore subsidiary, acquired a 61.5 per cent. interest in Unochrome Australia, a quoted engineering company, for a total consideration of $A810,887.

About 40 per cent. of the acquisition is to be satisfied from short-term bank loans.

The acquisition has received the approval of the Bank of England and the Foreign Takeover Committee of Australia. The company has been advised by the Melbourne stock exchange that it will not be required to bid for the minority shareholding in Unochrome.

UNITECH BUYS APPLIANCE COMPONENTS

Unitech has paid £620,000 in cash for the outstanding 65 per cent. of Appliance Components which was acquired with effect from June 3, 1974.

As detailed in the Unitech annual report net tangible assets of AC as at May 31 1975 amounted to £500,000 before deducting £100,000 proposed dividend due to Unitech and the profit before tax for the year ended on that date was £288,000.

ASSOCIATES DEALS

Laing and Cruickshank on October 29 bought 20,000 Atlas Stone Ordinary at 115p on behalf of Compagnie Financiere Eternit.

Cazenove and Co. bought 25,000 Permali Ordinary shares at 30p on behalf of BTR.

SLOUGH ESTATES

Under the agreement entered into as a result of the offer for Yorkshire and Pacific Securities in March 1969, a further 196,180 Ordinary shares of 25p have been issued by Slough Estates in exchange for 34,906 shares of no par value in Slough Estates Canada.

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1975 High	1975 Low	Stock	Closing Price p	+ or −	Div. Amount	Times Covered	Gross Yield	P/E Ratio
‡	F.P.	—	169	120	Corn Exchange	120	......	b1.62	2.5	1.6	—
※R3	F.P.	7/11	110	63	Elandsr'd G'd Min'g 20c	88pm	+11	—	—	—	—

FIXED INTEREST STOCKS

Issue Price	Amount Paid up	Latest Renunc. Date	1975 High	1975 Low	Stock	Closing Price	+ or −
‡‡	F.P.	21/8	95	85	Adwest Grp. 10½% Cnv. 86/2000	94	......
£99¼	£10	30/1	10	9½	Bristol (City of) 13¼% Deb. Stk. 1981	9¾	......
A**E3	8 F.P.	17/10	99	97½	Bristol Water 9% Red Pref 1980	98½	......
£100	F.P.	—	100½	98	CSR 9½% Notes 1980	99½	......
£98½	F.P.	—	101½	99¼	City of Liverpool 15½% Stk. 1981	99½	......
£99	F.P.	5/9	102½	98	Clayton Dewandre 10% Deb. 90/5	101½	......
£99½	£50	11/2	30¼	29½	Coventry (City of) 13¾% Red. Stck. 1980	29½	−¼
£98½	£45	5/12	46¼	44½	Derby Borough Council 15½% Stk. 1982	45½	......
※£1	F.P.	9/9	100¼p	95p	Fodens 10% Cnv. Red Cum Pref.	95p	......
※£100	F.P.	13/10	138½	113	Haslemere Est. 9¾% '90-5	124	......
£100	F.P.	23/10	110	102	Hoechst 10% Guar. Ln. 1990	110	+1
£100	£50	9/1	51½	48⅞	Islington 13¾% Red. Stk. 1980	51	......
£100	£50	9/1	49⅝	47½	Do. 14% Red. Stk. 1985/6	47¾	−¼
‡‡	F.P.	—	111	94p	Johnson&Firth Brown 11.05%Cm. Conv.Prf	111p	−1
※£100	£40	22/8	69½	40½	Land Secs 10% Conv. 90/5	63	......
††£98	£10	28/11	11	10¾	Lee Valley Water 9% Red. Pref. 1980	11	......
$US100	F.P.	—	98½	98½	Midland Bank Float Cap Notes '82	98½	......
£99	F.P.	26/9	109¼	97	Newcastle & Gate 9% Red. Prf. 1980	99	......
$C100	F.P.	—	98	98	Noranda 9¾% Notes 1980	$C.98	......
$US100	F.P.	—	98	98	Do.	$U.S98	......
£98	£25	23/1	27½	26	Norcros 15¼% Deb. 1990/95	26	......
※50p	Nil	—	¼p	¼p	Single 10% Cum. Conv. Pref.	¼ppm	......
£100	F.P.	28/11	120	100	Spirella 14% Conv. 1990	120	......
‡‡	F.P.	29/5	121½	98¼	Whitcroft 11% Conv. 1995	120	−1½
£98	F.P.	31/10	99½	98¼	York Waterworks 9% Red. Pref. 1980	99	......

"RIGHTS" OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Dates †	Latest Renunc. Dates ‡	1975 High	1975 Low	Stock	Closing Price p	+ or −
20	Nil	—	—	16½	13	Amal. Distilled Products	15pm	−1
25	F.P.	28/10	25/11	71	62	Babcock & Wilcox	68	−2
105	Nil	—	—	31	21	Cape Inds.	27pm	−1
25p	F.P.	6/10	14/11	58	49	European Ferries	56½	−½
50	F.P.	30/10	28/11	65½	60	Grand Met. Hotels	65½	......
260	F.P.	28/10	12/12	375	330	I.C. Gas	368	−4
10p	F.P.	4/11	—	100	34	Ladbroke	89½	−1½
41	F.P.	29/8	14/11	74	60½	Norcros	73	−1½
25	F.P.	30/10	9/12	29	69	Northern Foods	67	−1
25p	F.P.	3/11	3/12	29¾	25	Peacock Sasini	25	−1½
220p	F.P.	17/10	14/11	312	290	Royal Insurance	310	......
50p	Nil	—	—	14	10½	Weir Group	14pm	......

Renunciation date usually last day for dealing free of stamp duty. a Placing price to public. b Figures based on prospectus estimate. d Dividend rate paid or payable on part capital, cover based on dividend on full capital. p*** Pence unless otherwise indicated. u Forecast dividend: cover based on previous year's earnings. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividends. ** Issued by tender. ※ Offered to holders of Ordinary shares as a "rights." ♥ 290 S.Afr. cents. ※ Rights by way of capitalisation. †† Tender allotment price. ◆ Reintroduced. ‡‡ Issued in connection with reorganisation, merger or take-over. ♣ Introduction. ♠ Issued to former Preference holders. ‡ Allotment letters (or fully-paid). † Provisional or partly-paid allotment letters. ※ With warrants.

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MINING NEWS

A break in the clouds for N. Broken Hill

BY LESLIE PARKER, MINING EDITOR

THE MAIN talking point at the North Broken Hill meeting in Melbourne yesterday was not the expectedly cautious forecast about 1975-76 prospects, which had already been indicated in the annual report, but the recent new ore find which looks likely to extend the company's life prospects at the long-established lead-zinc-silver mine in Australia's Broken Hill field.

Executive director Mr. R. L. Baillieu described August when the discovery was made as "perhaps the most important month" in the company's 63-year history at the North mine. He said there was no doubt the drill had intersected an extension of the southern orebody, the richer of the two currently being mined, containing as it does about 70 per cent. of the property's mineralisation.

Life extension

Further drilling is naturally in progress with the chairman, Mr. M. L. Baillieu, saying that "every effort is being made to delineate the orebody as quickly as possible." If it is a large one, "as we hope and believe," exploration would take many years.

Over 25m. tonnes of high-grade silver-lead-zinc ore have been extracted from the North mine in the past 63 years and, before the latest discovery, reserves had dwindled to 6m. tonnes, enough for only 12 years' operations.

In the meantime, the chairman underlined the previous gloomy news about short-term prospects, saying that the build-up of concentrate and metal stocks was now larger than at any time since the great depression. The mine was still operating at full capacity although the company was only selling about two-thirds of production. If there were a further increase in stocks they would need to be financed. The necessary funds had been arranged he added. Yesterday NBH reflected the near-term gloom with a fall of 4p to 136p.

ISLE OF MAN PROSPECTING

A search for minerals has started up again in the Isle of Man our correspondent there reports. A so far unnamed individual who was granted a prospecting licence last year by the Manx Government has now applied for a production licence.

The main interest seems to be concentrated on lead and zinc mineralisation in the south of the island. Negotiations about the basis for any royalties are taking place with the Government. If agreement is reached a diamond drilling programme is expected to start immediately.

The Isle of Man in long ago times supported a thriving mining industry but there has been no serious attempt to open any new mines for over 50 years.

Beach Sand prospects

THE DECLINE in the market for beach sand minerals occurred rather later than that for most metals so the producers were still doing well right up to mid-year. Thus, Australia's Westralian Sands, now one of the world's majors in this field, was able to boost its 1974-75 profit to $3.2m. from the previous year's $1.2m.

Despite the general setback in demand for all minerals the company expresses quiet confidence in the annual report of maintaining last year's shipments in 1975-76 and of even doing a little better. Moreover, the mineral, plant and manpower are available to double the 1974-75 sales if required although it is admitted that this is most unlikely to occur in the current financial year.

Part of Westralian's strength in the supply of zircon and ilmenite lies in the fact that it has enough mineral "to maintain a very high level of output for at least 20 years" and that it has completed a big expansion programme. It can thus afford to back-pedal on some projects.

These include the Gingin Joint venture with Lennard Oil while the Yoganup plant has been put on a care-and-maintenance basis and the Busselton Joint venture with Mid-East Minerals has been temporarily closed down. Westralian shares are a narrow market in London at around 30p but they look to be one of the best ways to participate in the next upsurge of demand for titanium and zircon minerals.

ROUND-UP

Holders of nil-paid renounceable letters of allocation in Elandsrand Gold Mining are reminded that the offer will close on November 7. Yesterday the price of the letters rose 11p to 88p premium in London.

* * *

An analysis of the new Anglo American Coal Corporation, which is designed to amalgamate the Anglo American group's South African coal interests, is now available from jobbers Stocken and Lazarus. It was reported yesterday that the shares of Vereeniging Estates, the main vehicle for the merger, had become a much less restricted market than hitherto in London although the price was unchanged at £21¼. If all goes according to plan it is expected that dealings in Amcoal will start on January 5.

* * *

The issue of American Depositary Receipts in New York, where they will be traded on the "over-the-counter" market, for the following shares is announced by Morgan Guaranty Trust: Anglo American Investment Trust, Daggafontein Mines, Gold Fields Property and General Mining. They also qualify for the issue of International Depositary Receipts in Brussels.

TCL keeps its promise

A FURTHER increase in dividends and profits is reported for the year to September 30 by the Barlow Rand group's Transvaal Consolidated Land and Exploration. A final dividend is now declared of 42 cents (23p) which makes a year's total of 65 cents (36p) compared with 55 cents for 1973-74.

Net profits of the South African coal-to-platinum group have risen to R0.98m. from R8.2m., the latest earnings per share amounting to 136.7 cents compared with 112.3 cents last time. Turnover, which is the revenue derived from the coal, chrome and timber operations of subsidiary companies, has advanced to R41.54m. from R24.4m.

	1974-75 (R'000)	1973-74 (R'000)
Turnover	41 540	24 412
Profit before tax	15 102	10 536
Taxation	3 543	1 862
Net profit	11 559	8 674
Minorities	1 576	465
Attributable	9 983	8 206

The latest dividend is in line with the official forecast made earlier this year when half-time profits of R5.43m. were announced. In the current year TCL will continue to reap the benefits of the coal price increase granted in May to the Transvaal and Orange Free State producers but the group is still having to live with the depressed fortunes of the platinum industry which are reflected in the stake held in Union Platinum.

In recent years TCL has grown in stature and is now a small, but vigorous, mining finance house. Its coal expansion hopes received a setback in June when the proposed full acquisition of Witbank Colliery fell through. But the group retains its 60 per cent. interest in the latter and its other mineral interests will share in the benefits of the awaited world economic recovery. TCL shares rose 50p to £12 yesterday following the latest results.

Lamson down £5.8m. so far

THIRD-QUARTER 1975 pre-tax profits of Lamson Industries (a subsidiary of Moore Corporation of Canada) were £1.35m. making £3.85m., against £9.69m., for the nine months. Profits for all of 1974 reached £12.98m.

	9 months 1975 £000	9 months 1974 £000	Year 1974 £000
External turnover	86.42m.	82.3m.	115.67m.
Trading profit	8,909	12,771	17,505
Depreciation	2,699	2,360	3,290
Interest payable	1,908	1,196	1,904
Except. expenses*	1,000	—	—
Divs., interest etc. received	549	478	687
Profit before tax	3,851	9,694	12,978
Taxation	1,926	4,545	6,486
Outside holders	247	225	321
Extraord. debits	86	100	214
Leaving	1,592	4,824	5,957

* Relate to redundancies and factory closures in U.K. and redundancies overseas, and also make allowance for unsatisfactory raw material and certain abnormal bad debts.

External turnover for the third-quarter was £27.92m., making £88.42m. compared with £82.3m. Earnings for the nine months are shown to be down from 7.72p to 2.76p per 25p share.

The chairman, Mr. B. H. Pearce says that turnover worldwide continued to decline during the third quarter, and for the nine months is now ahead by only 3 per cent., after allowing for exchange rate variations. Despite continuing pressure on price levels, this represents "a substantial fall" in actual volume.

Efforts to reduce costs are bearing fruit, and profit at the trading level has recovered substantially from the last quarter.

Incoming orders still show no signs of any real improvement and apart from seeking new markets, attention is still concentrated on reducing the level of costs wherever possible, members are told.

Courtney Pope

SHOPFITTING contractors, Courtney Pope (Holdings) reports pre-tax profits down from £521,000 to £362,000 for the year ended May 31, 1975, with stated earnings per 20p share showing a fall from 9.7p to 7.1p.

At the interim stage the directors said that while it could not be established that 1974-75 profits would necessarily achieve the level of the previous year, they felt justified in forecasting an at least maintained dividend total.

In the event the net dividend is raised by the maximum permitted—from 3.302p to 3.598p, with a final of 2.548p.

The directors explain that during the period many retailers severely curtailed capital expenditure and faced with the necessity of obtaining a larger share of a diminished market the combination of inflation and reduced margins has taken its toll.

Progress since the year end is regarded as satisfactory. The directors feel confident that "we are well organised and equipped to take advantage of any recovery in the national economy."

	1974-75 £	1973-74 £
Turnover	3,262,000	2,400,000
Profit	307,839	386,650
Provision*	314,468	171,462
Development expend.	241,191	132,408
Off goodwill	7,976	—
Credit assets.	3,962	3,160
Pre-tax loss	251,814	255,940
Tax	1,464	43,400
Attributable loss	253,545	122,547

* For possible losses on work in progress. ‡ Profit.

Firmin little changed

Pre-tax profit of Firmin and Sons increased slightly from £122,000 to £128,000 in the first half of 1975. The figure for the year 1974 was £258,993.

Earnings per 25p share advanced from 4.5p to 4.72p for the six months, and the interim dividend is effectively held at 1p net. Last year's total was equal to 2.751p. The company manufactures badges, buttons and military ornaments, etc.

	Half year 1975 £	Half year 1974 £
Turnover	512,748	426,600
Trading profit	112,100	107,500
Interest receivable	15,900	14,500
Profit before tax	128,000	122,000
Taxation	66,560	63,440
Net profit	61,440	58,560
Interim div.	13,010	13,010
Balance	48,430	45,550

Geo. Bassett

The directors of Geo. Bassett Holdings announce that the subsidiary, Geo. Bassett and Co., has entered into long term funding arrangements with a major pension fund in respect of two of its new sites in Sheffield.

A total of £417,500 in cash has been released by the transaction, and this will be used to augment the company's financial resources.

"Over the years Decca has made a mounting contribution to economic welfare through continuing growth in exports and capital investment."

Sir Edward Lewis

The 45th Annual General Meeting of Decca Limited was held on October 30th in London.

Sir Edward Lewis (the Chairman), who presided, said:

For the year to March 1975 consolidated turnover increased by £17,700,000 to £154,300,000, while exports rose by 44 per cent. to a record total of £40,400,000, which was 35 per cent. of the total turnover of our U.K. companies. After adding £40,000,000 for sales by the overseas subsidiaries less their purchases from our U.K. companies we get a total of £80,400,000 for sales by the group to overseas customers, a figure which substantially exceeds our sales of £73,900,000 to the U.K. market. Indeed, over the years Decca has made a mounting contribution to economic welfare through continuing growth in exports and capital investment.

After deducting interest payments of £2,662,000 against £1,388,000 for the previous year the group pre-tax profit amounted to £13,283,000 against £16,285,000 for the year to March 1974.

The year's results were affected by inflation of costs with large pay increases not fully recovered in selling prices.

After charging taxation, the amounts attributable to minority holders and special items, the net profit attributable to Decca Limited was £4,613,000 against £7,506,000 for the previous year.

We are recommending a final dividend of 6.57116p per share, making 8.67116p for the year against 8.125425p last year. The proposed dividend is the maximum permitted under government regulations.

Group net capital investment during the year in new machinery, apparatus for hire, buildings, ships etc., exceeded £9,000,000 of which fully £4,000,000 was covered by the year's depreciation, and the balance by retained profits and higher borrowings. Total borrowings rose by nearly £7,000,000. Current assets exceed current liabilities by £47,900,000.

The rise in exports from £28 millions to over £40 millions was a particularly notable achievement to which all the main divisions of the group contributed, but with the larger part from the capital goods side. Out of the total sales of capital goods by the U.K. companies of the group 56% were exported. The total exports of £40,400,000 represent an average of well over £3,000 for each of the 12,000 employees in the U.K.

RECORDS

Our Classical Records Division again made an important contribution to results. Amongst impressive releases can be counted Cosi fan Tutti (Solti), the first symphonies of our complete Haydn project (Dorati), Madame Butterfly (Karajan) and Britten's Death in Venice. The launching of a significant new contemporary music series, the Headline label, led to the award of the President's Grand Prix du Disques for the first release—a major work by Messiaen.

Again, one of our recordings conducted by Sir Georg Solti won three Grammy awards—this time for his performance of the Symphonie Fantastique by Berlioz. Two years ago I was able to report a similar achievement for his Mahler 8th Symphony. We are encouraged by a consistently good year for the large number of artists under contract to us including those in the light music and popular market and we look forward to even better news of our releases during the current year.

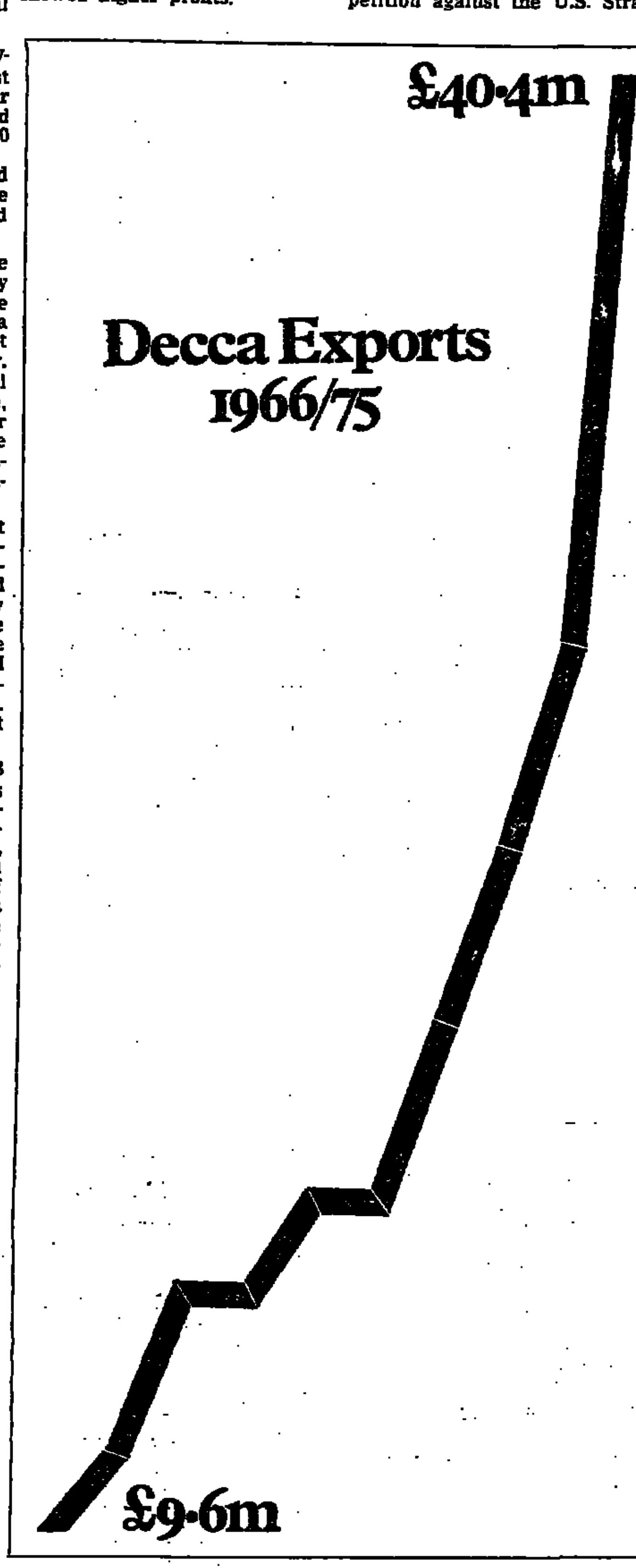
In our new Montreal record factory we are now turning out sufficient 7 inch records to meet our present needs and are also producing a growing proportion of the requirements for L.P. records. In due course we expect to be in a position to handle contract pressing. The records produced in this new Canadian factory have been well received by the trade. The capital outlay on premises, together with plant and machinery, has totalled some six million dollars. Sales of records in the U.S.A. were affected by the general recession in that country and were lower than in the previous year.

At home our modern distributing centre at Lewisham became fully operative and is working efficiently. We are now well equipped to meet any expansion in the foreseeable future.

COLOUR T.V.

The re-imposition of credit controls on radio and television continued to depress sales of colour T.V. during the first quarter of our financial year. However, home sales recovered during the summer and continued buoyant until the imposition of 25 per cent. V.A.T. in May, 1975. The cumulative effect of market conditions, statutory price controls and cost inflation depressed margins on home sales. Large orders for colour T.V. were received from Australian customers prior to the commencement of transmissions in March, 1975, continuing during subsequent months at a high level. During the first nine months of the calendar year 1975 our overall exports of colour T.V. receivers reached a total of over 57,000 units valued at nearly £9.5 million.

Despite difficult conditions in the market for audio equipment we succeeded in raising the total turnover of the radio and television business to a record figure of nearly £40 million. Whilst profits from both records and television were lower than in the previous year, navigator, survey and radar activities all showed higher profits.



NAVIGATOR

Demand for the Decca Navigator system continued to develop on a broad basis. There was a substantial increase in the total of marine hirings, although the number of new users fell short of the previous year due to the effects of the recession in both the fishing industry and the tanker market which has become more severe during the current financial year.

Decca Navigator coverage is still expanding and the construction of a third Decca Navigator chain for Japan was commenced during the year and should be operational by December. At home the Northumbrian Decca chain is nearing completion with the stations already transmitting to provide additional position-fixing facilities for shipping using the North Sea. Work on the Hebrides Chain covering the far North West will commence shortly.

An interesting marine development by our Systems Study and Management division relating to a ship computerised Integrated Navigation Information Centre has resulted in an order for five installations for the Royal Navy's "Jura" class vessels which are to be employed in North Sea oil rig patrol duties.

The introduction of our river pilot will enable us to expand our business over the waterways of Europe and North and South America.

The Decca Navigator company's turnover in the aviation field was maintained, although there were delays in receiving some orders due to many countries reviewing their defence policies in the light of the world economic recession. Despite this, demand continues for such equipments from the U.K. Ministry of Defence and from Europe but the more distant overseas markets would appear the most promising; we have recently obtained orders, principally for our Doppler system, from the Middle and Far East.

Doppler has also been ordered in quantity for the R.A.F.'s Lynx, MRCA and other aircraft, and the equipment played a significant role in the R.A.F.'s achievement in winning the Bombing and Navigational competition against the U.S. Strategic Air Command last winter. The Decca Navigator DANAC computer has been ordered for the Queen's Flight helicopters and the North Sea oil industry has brought new requirements for these airborne sets.

The Decca airborne ILS/VOR/DME equipments are in full production and further orders have been received from the Ministry of Defence.

MONA the Decca airborne computer system continues to sell well and over 50 systems have now been ordered. British Airways have chosen these systems for the Tristar aircraft used in their longer routes and have already taken delivery of four equipments, being the seventh airline to purchase MONA equipment.

A new company, Flight Navigation Limited, has been formed as a joint venture with Smiths Industries Limited, to specialise in navigation and flight control problems. Already contracts in excess of £250,000 have been received, including one for a special MONA system for a U.K. government experimental aircraft.

Decca Communications Ltd., previously K. W. Communications, which we acquired in 1973, has completed its first full year as a Decca company and a programme of expansion is now being pursued. The existing civil product line is being expanded by the development of a new line of communications equipment for military and commercial applications. These receivers and transmitters employ advanced techniques and meet the requirements of international standard specifications.

SURVEY

Both turnover and profits continue to advance in the Survey group of companies with a sharp rise in profits last year. The world wide network of subsidiary companies has shown itself to be effective in meeting the rapidly changing requirements of the oil industry, by far the largest customer. It is interesting to note that one half of Decca Survey company's business is now concentrated in Europe, largely in the North Sea area. HiFix 6, the new high accuracy system is now in full production and no less than 20 systems at a value of about £1,000,000 have already been ordered.

A new plotting system for hydrographic surveys called Autocarta has been developed by our Survey company and has received increasing acceptance. Orders totalling £500,000 have been received from the U.S.S.R.

A new position fixing system, Pulse 8, was installed giving highly accurate coverage 24 hours a day over large areas of the Gulf of Mexico and the Java Sea. Following the success of these operations, similar stations have been recently constructed in Norway and the U.K. to provide a service to the North Sea oil operators.

RADAR

The Radar division was able to report increased profits despite the growing recession in the marine market and increasing competition experienced during the latter part of the year. Marine radar production and deliveries were the highest in our history. Supplies of materials and components eased in line with the world situation, which trend has continued into the current year.

Our anti-collision radars continue to be best-sellers for first-class tonnage. Being not over complicated they have a high standard of reliability and are easy to operate. Notable quantity orders were received from Canadian Pacific Steamship, B.P. Tankers, Cunard, The Shipping Corporation of India, Salenrederierna, Finnlines, Petrofina and the Canadian Department of Transport weather ships.

From a total range of 30 marine radars we have a group of four specifically for smaller vessels which covers the largest market area by units. In this group we have recently introduced one new radar, the 060, and have raised the performance of the other three. Competition is severe, particularly from Japan, but with the backing of our world service organisation we are confident of our ability to hold our own.

The year was a record one for orders for Naval Navigational radar and it is a tribute to our solid state commercial equipment that it has now been ordered by 26 navies with substantial orders placed recently for the French, Belgian, Netherlands, Norwegian and Swedish navies, with other significant business under negotiation.

In the field of Harbour radar, the division has maintained its dominant position. New installations include extensions for the Port of London Authority, Ras Tanura in Saudi Arabia and orders for the Ministry of Defence. Orders received during the current year include the English Channel Navigation Information Systems, the Thames Barrage Radar system, Ministry of Defence, Humber Pilotage, the Bay of Fundy, Canada, Brunei and Gothenburg, Sweden. Extensive further business is under negotiation.

For some time we have led the way in the field of Engine room and Cargo monitoring systems and with the recent introduction of the smaller ISIS 100 and 200 systems, together with the earlier 300 systems, we are now in a position to supply a range of marine engine room automation equipment for all classes of ships regardless of size or complexity at a cost effective price. Amongst recent orders for these equipments were those for four chemical carriers building in Germany for Finnish owners, two oil exploration drilling ships for the United Kingdom and Norwegian owners and a new ferry for British Rail. Recent naval orders included the first type 22 frigate for the Royal Navy, also four 'S' class frigates for the Royal Netherlands Navy.

We have been active in the development and production of other advanced electronic equipment with a satisfactory balance of orders from the British Government and overseas customers. The radar and command link for the British Aircraft Corporation's Rapier missile system is still our largest military project. Substantial overseas orders have been received for delivery over the next few years and interest in this system continues at a strong level.

The Electronic Warfare equipment area has continued to expand and we are a major supplier to the Ministry of Defence and to foreign navies. Our M.O.D. work, previously and primarily concerned with the naval field, has been complemented by major airborne development projects which should lead to large production orders in the years ahead together with substantial foreign market opportunities. Our private venture enterprise in Electronic Warfare equipments, the production of which is selling to over 17 foreign navies, is being expanded to include submarine systems. The overseas market potential for this type of equipment is very high and we are well placed to obtain a significant share.

Our ASMI system which has worked successfully at London Airport and Orly for some years should be in operation at Rome airport in the first half of 1976, the installation having been delayed by foundation problems for the masts. The installation of another ASMI in Milan should follow. The importance of this type of equipment is now recognised by leading international airports as essential to meet the problems of increasing traffic density on the ground and we hope to see further orders during the current year.

The contract from the Department of Industry to develop an engineered ship's bridge simulator for Merchant Marine Training is proceeding well. It is planned for completion at the beginning of 1976 to provide one of the most advanced ship simulators in the world. It is hoped that its introduction will provide a major step forward in the field of seafaring training.

Setpoint, which had a profitable year, received the Queen's Award for Exports of electronic control equipments.

THE CURRENT YEAR

We stated in the Directors' Report that group results for the half-year ended 30th September should be comparable with those for the half-year to September 1974.

Looking to the full year we cannot expect to remain immune from the effects of world recession on our marine radar business where new orders are below last year's levels. A major part of our marine navigator and survey business is in renting out equipment and services rather than from sales and we are not expecting a reduction of such income, only a slow-down in the growth rate of hirings.

Earlier this year we reduced the scale of output of our television receivers to a level more appropriate to the current demand. For records we are now experiencing a seasonal upswing in the U.K. market.

When sustained recovery comes in world markets, we are well equipped to expand both our turnover and profits. Our group of companies is soundly based and with more than half its sales to overseas customers and an excellent cross section of capital and consumer goods we can face the future with confidence.

STAFF

Before concluding these remarks I wish to express on your behalf our warm thanks to all the employees of the Decca companies both in the U.K. and overseas whose efforts made possible the excellent results achieved in the past year.

The report and accounts were adopted, the retiring director, Sir Martin Flett, K.C.B., was re-elected and the proceedings terminated with a hearty vote of thanks to the Chairman, the Directors and staff on the excellent results achieved in a difficult year.

DECCA

RECORDS · TELEVISION · NAVIGATOR · SURVEY · RADAR

Amidst warnings that potentially valuable overseas contracts may be lost to British companies by default, the CBI has appealed to the Government to modify the cost escalation cover scheme for exporters introduced in February. **Nicholas Leslie** explains why.

Export insurance that misses the target

THE FORTHCOMING visit to Cuba by Mr. Peter Shore, the U.K. Secretary for Trade, is clearly aimed at further consolidating the links between the two countries which took a large step forward earlier this year when a Cuban delegation, headed by Sr. Carlos Rodriguez, First Deputy Prime Minister, visited Britain. An economic and industrial agreement was signed then and at least £250m. of cheap credit extended to Cuba, to be provided through the Export Credits Guarantee Department.

Whatever specific projects may come up for discussion during his visit, Mr. Shore will undoubtedly be thinking of a major contract for the construction of a tyre factory which the Cuban Government has in hand. Dunlop-Pirelli is tendering from the U.K. against strong competition from France and Japan.

Dunlop has concluded that there is no benefit from the cost escalation scheme for its contract, even if inflation runs at 20 per cent. a year throughout the contract period. Effective support from a modified scheme would make the bid more competitive.

Misguided

Various companies, together with the Confederation of British Industry, have been pressing Mr. Shore to modify the scheme—which was aimed particularly at exporters of capital goods—because, they say, it does not provide the benefits it purported to do at the outset. Also, they feel, the scheme is proving counter-productive because overseas buyers have the misguided impression that the U.K. Government is giving exporters a particular amount of subsidy, and they are therefore trying to beat down tenders.

Mr. John Whitehorn, deputy director general of the CBI, has in fact written to Mr. Shore providing evidence of companies which believe they have lost contracts overseas because they could not offer fixed prices. Without the benefit of effective cost escalation insurance, the companies have found either that tenders which they did submit were uncompetitive, or that it was not worth tendering because they knew they had no chance of being accepted.

To understand the problem, it is necessary to go back to Mr. Shore's February statement to the Commons outlining the cost escalation insurance proposals. These were to cover contracts outside EEC countries with an individual value of £2m. or more and with manufacturing periods upwards of two years.

As Mr. Shore explained, exporters or buyers would be expected, on a credit contract, to bear cost increases up to a minimum level of 10 per cent., with the Government then covering 85 per cent. of any rises within a 10 per cent. band above that minimum level. With cash contracts, the band above the minimum level would be 15 per cent., with 90 per cent. of any cost increases being covered. A premium would be payable.

Option

At the same time, exporters would have the option of varying the threshold level at which the insurance scheme became effective—that is they could bear cost increases above 10 per cent., but would still qualify for the full band of Government cover when they brought the insurance scheme into effect.

Insurance would not cover all cost increases—the "eligible costs" would be those subject to inflation after overseas costs, together with any fixed-price sub-contracts in the U.K., had been deducted.

Some changes aimed at streamlining the system were made by Mr. Shore in August. One was that, for cash contracts, "wherever appropriate" a standard proportion of 75 per cent. of eligible costs would rank for insurance, with the figure put at 70 per cent. in respect of "appropriate" credit business. Among other things, this meant that documentation on cost increases would not need to be so detailed as required previously with the 85 and 90 per cent. levels. The proportion which the scheme would not cover took into account the contractors' fixed costs, such as overheads, together with his expected profit.

Higher

Companies began to realise that the scheme was not what it appeared when they started to relate it to actual contracts. It became apparent that the threshold at which the Government would indemnify contractors against escalating costs was much higher than initially thought.

Whereas industry and the CBI was thinking in terms of evaluating the threshold—that is, the initial 10 per cent. escalation to be borne by the exporter or buyer—by taking the effect of 10 per cent. per annum inflation on actual eligible expenditure, the ECGD interpretation was to take 10 per cent. of the eligible contract value multiplied by the number of years the contract covered.

Mr. Peter Shore, Secretary for Trade, announced the cost escalation cover scheme for exporters in February.

To see how this works in practice, take the example, shown in the tables, of a hypothetical £100m. contract spread over three years and four months. Table A shows the expected expenditure pattern year by year and the effect of a 20 per cent. per annum escalation, evaluated on a monthly basis. The cash outflow patterns relate to a particular contract, and vary from month to month. Other contracts would, obviously, produce different patterns.

In this instance, the £0.8m. of U.K. expenditure on items other than machinery eligible for cover is incurred in the contract's first year and is thus not worth covering. Similarly, the cost of cover on the £1.2m. of machinery expenditure in the final four months of the contract would exceed any possible benefit. So both are deducted from the eligible value to be covered.

The contrast between eligible and non-eligible items is shown in Table B. The amount of the contract eligible for cover under the insurance scheme is £58.8m., with escalation on that proportion £19.6m.

Table C shows how the net recovery under the scheme is finally arrived at. In this hypothetical case, the company receives £2m. But that is before the cost of the insurance premium, which is calculated on the basis of eligible base cost (£58.8m.) × 3 (the number of years the contract runs for) × 1 per cent. So the premium eats up £1.8m. of that £2m., leaving a net recovery of a mere £200,000.

THE ECGD SCHEME IN OPERATION

A HYPOTHETICAL £100M. EXPORT CONTRACT

TABLE A

	OFFER PRICE (£m.)			ESCALATION (£m.)		
Expenditure	Machinery	Other	Total	Machinery	Other	Total
Year 1	9.1	4.2	13.3	1.2	0.6	1.8
2	43.0	4.5	47.5	12.7	1.2	13.9
3	33.2	2.8	36.0	14.9	1.2	16.1
4 (4 mths)	1.8	1.4	3.2	1.0	0.6	1.6
Total Contract	87.1	12.9	100.0	29.8	3.6	33.4
Less Non-U.K.	(1.4)	(11.7)	(13.1)	(1.0)	(3.4)	(4.4)
U.K. Element	85.7	1.2	86.9	28.8	0.2	29.0
70% Eligible Value	60.0	0.8	60.8	20.2	0.1	20.3
BUILD UP OF ELIGIBLE VALUE (£m.)						
Year 1	6.2	0.8	7.0	0.8	0.2	1.0
2	29.7		29.7	8.7		8.7
3	22.9		22.9	10.1		10.1
4 (4 mths)	1.2		1.2	0.6		0.6
	60.0	0.8	60.8	20.2	0.2	20.4

TABLE B

	Total Expenditure (£m.)	Expenditure Covered (£m.)			Expenditure Not covered (£m.)	
		Total	70% Eligible	30% Other	Eligible	Foreign
Original Contract	100.0	83.9	58.8	25.1	3.0	13.1
Escalation	33.4	27.8	19.6	8.2	1.2	4.4
Total	133.4	111.7	78.4	33.3	4.2	17.5

TABLE C

	£m.
Eligible value covered	58.8
Escalation	19.6
Less: Threshold	(17.6)
ECGD cover	2.0

TABLE D

	£m.
Escalation according to ECGD formula	21.3
Less: Threshold	(17.6)
ECGD cover	3.7

Lower

There is a further point. The ECGD formula for assessing escalation is to take the point at which 50 per cent. of the contract price has been expended (weighted mean expenditure) before escalation and then multiply the escalation rate ruling at that time by the eligible base cost. In our example the result would be as in Table D. The ECGD formula, in this case arrives at an escalation figure of £21.3m. instead of £19.6m. No extra benefit would be available, however, as the ECGD takes whichever is the lower of the two figures.

The crucial point is that under the Government scheme cover is provided only for average cost escalation over the entire period of the contract. The aim of the CBI and some of its members is to reduce the threshold. Ways of achieving this could include computing the threshold by reference to the effect on costs of a 10 per annual inflation rate rather than an average cost increase of 10 per cent. which co-relates to costs rising at 20 per cent. a year.

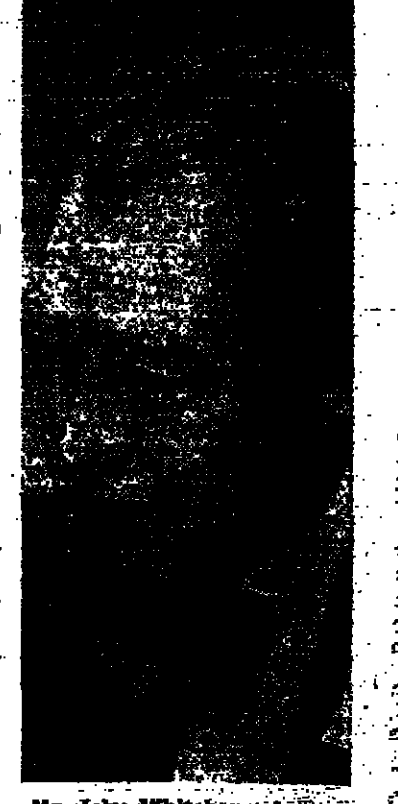
The examples used here relate to the lower threshold, but many CBI members are more worried because the scheme has a top ceiling (albeit a fairly high one under present interpretation). Many companies, particularly those in chemical engineering which are hoping to go for the very large contracts of at least £100m. that are emerging from the Middle East, feel they cannot take the risk without even greater protection.

Benefit

They cite countries like West Germany which have the benefit of much lower rates of inflation, while Spain and France have cost escalation insurance schemes affording considerable protection. This is particularly true of France, whose scheme has a 6½ per cent. threshold and is open-ended.

The Government is now in a dilemma. It introduced the inflation protection scheme at the beginning of the year after much heart-searching and much discussion with industry. As a direct incentive to exporters, it was a remarkable innovation and at least some industrialists were delighted that the Government at last seemed to be doing something to help them. As it has turned out, the scheme has proved to be not generous enough to provide any substantial help to exporters, but has aroused expectations among them and their customers which cannot be satisfied.

Should the Government go further, even at the cost of substantial increases in public expenditure? The French scheme is said to cost some £150m. a year and the Treasury is likely to resist any changes which add substantially to the burden on public funds. Clearly there is scope for simplifying the administration of the scheme, and that in itself may be useful. But the changes that industry wants go further than this. The Government has to choose between bowing to their demands or resigning itself to the loss of many large export contracts—at least until the U.K.'s rate of inflation is brought down—and the threat of still higher unemployment.



Mr. John Whitehorn, deputy director-general of the CBI, has appealed to the Government for changes.

Travelodge Australia founder steps down

BY JAMES FORTH

SYDNEY, Oct. 30.

THE FOUNDER of Travelodge Australia, Mr. Alan Greenway, to-day stepped down as managing director amid emotional scenes at the annual meeting. Mr. Greenway broke down when announcing his move and was unable to continue speaking for a short period. Apologising that "emotion may have crept in" he told the meeting that it was only a reflection of his concern to emphasise the company's two over-riding needs—sound economic management by government and major policy and structural changes in the company itself.

Travelodge is 54 per cent. controlled by the Hong Kong based Southern Pacific Properties, which the U.K. P & O last year unsuccessfully tried to acquire after first buying a large stake from the Slater Walker group.

SPP bought its interest in the international accommodation chain in 1972. It has proven a poor investment to date: earnings of Travelodge plunged from a record $A1.2m. to only $800,000 in 1971-72 and no dividend has been paid for the past three and a half years. Profit in 1974-75 was $A700,000. The accounts, released recently, showed that the company experienced a massive squeeze on its liquidity in the past year despite a policy, started early last year, of selling properties. At June 30 there was a working capital deficit of $A10.1m.

Mr. Greenway remains Chairman. Another director, Mr. Ken Bailey, who has been with Travelodge for more than ten years, stepped down from the Board today. The new chief executive is Mr. G. A. Haines who has been with the company since 1964. He said tonight that it was "a little too premature to be specific about the direction of the company" but consolidation and improved profitability were high on the priorities.

It is suggested that relations between the majority shareholder, SPP, and Mr. Greenway have not been very cordial in recent times. Mr. Bailey's Board position was filled by an SPP representative, Mr. C. W. Birchall.

Mr. Greenway described his departure as part of changes in the organisation of Travelodge. The changes would effect far-reaching economies but would unfortunately include the loss of "long-term and loyal staff."

Mr. Greenway said that profit and occupancy rates in Australia for the first quarter of the current financial year were higher than those of 1974, but current political problems and the resultant downturn in Government activity indicated that it may not continue through the year.

Mr. Greenway also said that pride in the company's track record should not cloud the reality of the present situation. "I recognise that the profit level achieved is inadequate, both in terms of a return on shareholders' funds and when viewed against the performance of other industries. In these circumstances, we are required to take steps which are essential if Travelodge is to meet its specific obligations to shareholders and its general obligations as a key element in the Australian leisure product," he concluded.

Helma to sell Kempen

BY MICHAEL VAN OS

AMSTERDAM, Oct. 30.

HELMA HOLDING, the British-owned European property company, is to sell its subsidiary Kempen en Co., the Amsterdam-based stockbrokers, to Peterbroeck Van Campenhout SCS, the large Brussels independent stockbroking company.

The transaction is expected to take effect as from January 1, 1976.

Confirming the deal here to-day, Helma director Mr. Peter Jones said in the company's Amstelveen head office that it had been decided that ownership of the Amsterdam stockbrokers did not fit in with the long-term strategy of Helma.

Kempen en Co., which was acquired by Slater Walker in 1973 became part of Helma Holding in December last year when Helma absorbed Slater Walker Europe. Helma is 49 per cent. owned by Slater Walker and [illegible]0 per cent. by General Occidental.

Strong gain by Stellenbosch

BY RICHARD ROLFE

JOHANNESBURG, Oct. 30.

STELLENBOSCH WINE Trust, whose major shareholders are SA Breweries and JCI (Johannesburg Consolidated Investment) has shown a substantial rise in profits for its half-year to September 30, with the gross operating profit up from R12.5m. to R16.1m. compared with R26.5m. for the last full year. After a normal tax charge, net profit is up from R6.6m. to R8.4m. and gross earnings, as the Board describes them, have improved from 32 cents to 41.4 cents.

However, the Board shows stock profits as a separate figure, amounting to 11 cents for the half-year against 7.2 cents previously. This element in profits, which results from "raw material price increases" has therefore increased to a greater extent than other profits. The net earnings figure is up from 24.8 cents to 30.1 cents. The interim dividend is held at 8 cents and a modest increase looks possible on last year's total 25 cents when the final is considered.

Despite the first half advance, the directors are cagey about prospects for the rest of the year saying that "contrary to previous experience, profits in the second half will be lower than those earned in the first half" despite the Christmas season. They envisage a slow-down in consumer spending, where the brunt of the official anti-inflation policy will be felt, and indicate that although cost increases are continuing, "we do not contemplate any selling price increases this year."

The results certainly reflect the rising profits being earned on local wines, where prices of the prestige ranges have risen dramatically. But the Board also notes that there has been some [illegible] in spirits sales at the expense of wines. The shares are now 345 cents, yielding 7 per cent. and hence less than SA Breweries itself, which at 112 cents yields 8 per cent.

Nedsual earnings pick up in second half

BY RICHARD ROLFE

JOHANNESBURG, Oct. 30.

NEDSUAL, the South African banking conglomerate formed from the merger of Nedbank, Syfrets and UAL, has reported taxed profits up from R25.9m. to R28.3m. for the year to September 30, with the bulk of the advance coming in the second half-year. With minority interests falling by R0.5m. to R2m., probably reflecting the acquisition of the outstanding 40 per cent. of Syfrets Development Finance held by Charterhouse Japhet, earnings were 3.5c up at 30.5c. The total annual dividend is lifted 1.5c to 15.5c, putting the shares at 180c on a yield of 8.6 per cent.

In total the profits are 12.5 per cent. up on the previous year after a [illegible] per cent. advance at half-time and the Board picks out the banking operations as benefiting from easier money conditions prevailing in the half to September. It adds that some of the non-banking activities operated at profit levels marginally lower than in the previous year.

In general Nedsual seems to have coped more successfully with recent banking conditions than its competitors. It has come through the past 12 months without a rights issue and the forthcoming annual report will be examined for its ratio of shareholders' funds to deposits, a critical factor in the recent past with some of the other banks.

Rationalisation helps Fujitsu

TOKYO, Oct. 30.

FUJITSU OPERATING profit rose 20.3 per cent. to Y12.29bn. in the first half ended September 30 from Y10.22bn. in the preceding half, senior managing director Teiji Makikawa said. This, he said, followed improved sales and rationalisation of operations.

Pre-tax profit rose only 4.2 per cent. to Y5.53bn. from Y5.31bn., mainly because there was no profit from sales of portfolio share holdings, which amounted to Y720m. in the preceding term. Net income after tax was 2.7 per cent. up at Y3.20bn..

Gross sales increased 7.5 per cent. to Y141.61bn. from Y131.67bn. following increased sales of wireless and data-processing equipment, chiefly computers, Mr. Makikawa said. The company relocated about 2,000 of its 32,000 workers to its computer department from other sections in the past year or so as part of its rationalisation.

The company expects gross sales of Y150bn., before-tax profit of Y6.5bn., and after tax profit of Y3.4bn during the second half ending March [illegible], Mr. Makikawa said. Fujitsu declared a dividend of Y3 per share for the first half and plans to pay the same for the second, he said.

Reuter

Kohjin plan hold-up

TOKYO, Oct. 30.

KOHJIN RECEIVER Tanezo Hayakawa said it will be 1977 at the earliest before he can draw up the company's rehabilitation plan. He said this is because the business outlook in Japan is extremely clouded.

It will thus be impossible to submit a rehabilitation programme by end November, 1976, a tentative deadline set by Tokyo District Court, he said.

Mr. Hayakawa said the deadline could be extended by half-yearly periods indefinitely.

Until the programme is drafted and accepted by the court, Kohjin can shelve its debts and postpone interest payment while continuing its operations, informed sources said.

Reuter

Granges sees steep downturn

By John Walker

STOCKHOLM, Oct. 30.

THE DOWNTURN in the international business cycle is deeper than at any other time since the end of World War Two and has caused a reduction in sales volume, Granges, the Swedish mining, shipping, steel and engineering group, states in the company's autumn report. At the same time, costs have risen steeply, particularly wages in the Swedish sector of the concern—this also takes in social costs. These costs are expected to rise by Kr.250m. (£28m.) equal to 23 per cent. during 1975.

The profit decline during the latter part of the year will be greater than anticipated in earlier forecasts, the concern states. Net earnings are estimated to be between Kr.2 to Kr.3 per share. For the year as a whole the operating profit, including price gains of about Kr.90m. (£10m.) on inventory, is expected to keep pace with inflation. Equity in undistributed earnings in non-consolidated affiliates together with extraordinary items should exceed net financial expenses and therefore provide a small profit.

The upturn, which can be expected to materialise next year, seems unlikely to come in time to have any appreciable effects on profits during 1976. The aim that Granges has set itself, the report says, is to reduce susceptibility to cyclical influences and to improve profitability by such measures as investing in products of higher quality and in new products which are less cyclical in character. Investment activities will therefore remain at a markedly higher level than in earlier recession years.

International unions meet on ENKA

By Michael Van Os

AMSTERDAM, Oct. 30.

AS ENKA Glanzstoff prepares to implement its plan of reducing its Dutch jobs by an initial 1,300 with the approval of its general works council and the small majority of the AKZO Nederland Supervisory Board, Dutch trade unions' resistance to the proposals appears to have been far from broken.

To-day, all Dutch unions except the white collar union decided to boycott the planned meeting in Arnhem with the Enka management to discuss implementation of the restructuring plan appertaining to Enka's Dutch activities. At two of Enka's Dutch subsidiaries, Emmen and Emmen-Compascuum, the works councils have decided to suspend co-operation with the Enka management on the restructuring plans. Talks on the restructuring of the Enka activities in Belgium and Germany are being conducted separately by the Enka subsidiaries in the two countries.

The most militant of the Dutch unions, the Industriebond NVV, will be participating in talks in Geneva to-morrow on AKZO and ENKA under auspices of the International Chemical Workers' Federation (ICF). The NVV has said here that at the Geneva meeting of the ICF "Akzo World Council" union representatives of AKZO companies all over the world "will be discussing the possibility of international industrial action against AKZO and/or ENKA."

Yesterday, the management of AKZO Nederland said in a confidential message to its staff that it too was resisting union demands for international talks. The Dutch unions are particularly anxious to talk to the ENKA parent company about the latter's investment policy against a background of fears that the company is in the process of transferring production out of Europe to cheap-labour countries. AKZO said in its message: "We do not accept that the unions now want to compel us to an international discussion about investments, which is superfluous and not tied to any match rules, as a price for carrying a carefully scrutinised, essential and extremely urgent restructuring plan."

Gloeggler liquidity tight as stocks build up

BY GUY HAWTIN

FRANKFURT, Oct. 30.

WEST GERMANY'S largest textile concern, the Gloeggler group, has reported a certain tightness in liquidity as a result of falling demand this year. But the group has emphasised that problems are essentially short term and should pass in the next quarter.

At the root of the trouble has been a strong build up in stocks over the first nine months of the year. Since the end of last year—when they were worth some DM217m.—they have risen by 15 per cent., with a certain disruption of the group's cash flow.

This year has seen a substantial shrinkage in the West German textile market. By July, it had fallen by 9.5 per cent. But, according to group spokesmen, the other situation has stabilised and employees' jobs are secured at least until the start of the new year.

Turnover, which in 1974 rose in cash terms by 16 per cent. to DM950m., has fallen back by around 10 per cent. This, however, the group explained, was largely a result of "normalisation" of raw materials prices. The decline should also be seen against a background of a 1974 real growth of 8 per cent.

In May this year the group was bullish about prospects of an upswing in demand late this autumn, thus bringing an end to the two-year recession through which the industry has been going. The forecast was based on a reported upturn in orders during the first four months of the current year.

Although some observers may feel that Gloeggler's confidence has been misplaced in view of the continued apparent weakness of textile demand, Gloeggler appear to be taking the position that the Ides of autumn may have come, but they have not yet gone.

There is an authoritative body of opinion in West Germany that the upswing—albeit a slow one—is already under way. None less than Dr. Otmar Emminger, Vice-President of the Bundesbank, stated forcibly last week that the turnround came in September and that the economy was continuing steadily on the upward path.

Gloeggler's masters are saying nothing at present about the current earnings situation—a fact that has lead some observers here to take a pessimistic view of the group.

Shutdowns at Ruhrkohle

BY NICHOLAS COLCHESTER

BONN, Oct. 30.

ALREADY BURDENED with expensive and steadily mounting stocks of unsold coal, Ruhrkohle, West Germany's largest producer, is to resort to ten days of pit shutdowns in December to lose about three million tons of output.

Announcing this to-day, the company explained that it had already exhausted all other possible ways of cutting down its production. Once again it pointed out that the government's desire, in its current energy plan, to keep German coal production running at the 1974 level and thus preserve a domestic source of fuel, was proving unworkable in the current economic climate.

Ruhrkohle pointed out its stocks were already up to 13m. tons and that they were expected to climb to 15m. tons by the end of the year. At this point the company would have DM2.5bn. tied up in its bunkers.

The "coal problem" in West Germany is now being discussed in the highest level of government. Two possibilities are under consideration: the government could provide short-term relief by bringing forward the moment when it creates its own coal reserve of some ten million tons, thus relieving Ruhrkohle and the other coal companies of the cost of carrying stock. The longer-term solution is to make sure that sufficient coal-fired power stations are built to turn at least one third of Germany's coal output into electricity.

Thomson-Brandt computer deals

BY RUPERT CORNWELL

PARIS, Oct. 30

THOMSON-BRANDT, the major French electrical group, has announced two modest deals which significantly improve its position in the computer peripherals and small computer fields — due to be reorganised following the merger of the State-controlled CII with the U.S.-dominated Honeywell-Bull.

The first agreement is with the U.S. based Computer Sciences Corporation of Los Angeles, for a Thomson subsidiary SAMM to take a 75 per cent. interest in CSC's French offshoot, Computer Sciences International France. The purchase is accompanied by a commitment to general co-operation by the two groups.

Not least of the advantages for Thomson will be this alliance with a major company that has annual sales of around $220m. and was active in the Apollo space programme—even though its French affiliate only boasts turnover of around Frs.11m. SAMM's present modest size—at present it is forecasting only sales of around Frs.100m. (£11m.) itself in 1975—will be bolstered by the acquisition of a 66 per cent. interest in ECA Automation, a small concern that has hitherto specialised in computer application for air traffic control.

However the most important long-term consequence of the deals is undoubtedly that they enhance Thomson's mini-computer and peripherals activities, at a time when it is negotiating actively in the same area with the fast growing La Telemecanique. The group is thus well placed to become one of the two or three "international poles" of the sector in France, for which the Industry Minister M. Michel d'Ornano has called.

New Caledonia tax changes aid Imetal

BY RUPERT CORNWELL

PARIS, Oct. 30.

THE FRENCH Government has at last approved a draft bill changing the tax system of its Pacific territory of New Caledonia, that should not only ease the problems of the main French group operating there, Imetal, but also help attract other companies to exploit the island's nickel riches.

The modification approved yesterday by the Cabinet essentially replaces the old system—a levy of formerly 11 per cent. and now 6 per cent. on outgoing exports of nickel metal or ore—with an orthodox tax on the profits of companies which do business there.

Imetal, until last year called Le Nickel, has suffered particularly badly. Although slack world demand and a weak dollar depressed its revenues, the company used to have to pay the same tax on its exports as it did when it made a profit.

For New Caledonia the probable shortfall in its income will be made up by a guaranteed allocation from the national budget. The new system, which is expected to remove one of the main obstacles in the path of foreign groups setting up in the island, will take effect retroactively from the beginning of 1975.

Monsanto expands in France

Financial Times Reporter

MONSANTO IS to build a new unit at its Wingles plant in the Pas-de-Calais area of France to produce 50,000 tonnes a year of Lustrex impact polystyrene, a material widely used in packaging and consumer durables industries.

The plant, the cost of which is not being disclosed, is due to come into operation by mid-1977, and together with a general purpose polystyrene unit recently completed at the same site will bring Monsanto's European Lustrex capacity to more than 200,000 tonnes a year.

The new project, which will use a continuous process technology, will supply markets throughout Europe, including the U.K., and is intended, the company states, to coincide with significantly improved economic conditions predicted for Europe. Sources of raw material for the company's expansion in polystyrene include Forth Chemicals' a joint venture by BP Chemicals and Monsanto.

Bredero sees earnings slip

By Michael Van Os

AMSTERDAM, Oct. 30.

BREDERO, the major Dutch construction group, expects this year's net results to total about Fls.9-10m. barring unforeseen circumstances, which compares with a 1974 net profit of Fls.12m.

The company said in a short statement that the results booked so far this year had been "reasonable" in view of the current economic situation. It added that sales in the fabrication sector had lagged behind, but that measures had been taken to deal with the situation. Bredero's other divisions—consulting, project development and property operations—had kept up well, it added.

Bredero, which has extensive activities outside Holland, last year achieved sales totalling nearly Fls.700m. In view of the 45 per cent. increase in the issued capital of the company last year, its profit per share fell to Fls.39.38 last year from Fls.48 the year before.

Texaco earnings decline

TEXACO third quarter net income fell to $232.8m. or 86 cents a share against $375m., or $1.38 previously. For the first nine months, net income was $586.8m. or $2.16 a share compared with $1.27bn. or $4.66. Last year's net income is restated for the adoption of LIFO for U.S. inventories.

Texaco said that exclusive of estimated inventory profits relating to inventories outside the U.S., consolidated nine months net income was $573.8m. against $1.023bn. These estimated inventory profits declined from $243m. in the 1974 period to $13m. in 1975.

Mr. Maurice F. Granville, Chairman and chief executive officer, said that net income for the third quarter of 1975 continued to reflect lower overall profit margins than those prevailing in 1974 as well as reduced demand for crude oil and refined products.

Texaco's volume of operations including interests in non-subsidiary companies for the third quarter of 1975 as compared with the same period of 1974 reflected decreases of 8 per cent. in gross liquids production, 6.2 per cent in refinery runs, 7.6 per cent in petroleum product sales and 5.1 per cent in natural gas sales volume.

Mr. Granville said that in the U.S. the third quarter of 1975 compared with the same quarter of 1974 reflected increased costs of about $100m. resulting from the Federal Energy Administration's mandatory allocation and entitlements programme and from import fees on crude oil and refined products. He also noted that, in the U.S., gross production of crude oil and natural gas liquids decreased by 5.4 per cent. Refinery runs were up by 5.6 per cent. and product sales volumes were down 3.4 per cent.

Mr. Granville noted that Venezuela enacted a law providing for nationalisation of the petroleum industry in Venezuela as of December 31, 1975. The law provides for payment by the Government of compensation for properties, plant and equipment based on net book value for Venezuelan income tax purposes and the company on October 28 agreed to accept the Government's offer. There are also provisions in the law for settlement with respect to inventories, possible claims by the Government based on the condition of properties, plant and equipment and other matters. It is estimated the company's earnings will be charged as to $62m. as a result of nationalisation of properties, plant and equipment, he said. The extent of the ultimate reduction in earnings cannot be determined at this time pending settlement

AP-DJ

SELECTED EURODOLLAR BOND PRICES
MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer
Amax 8½pc 1986	97	98
Ashland 8pc 1987	89¾	90½
Austraswiss 8pc 1987	88½	89½
BFCE 9pc 1989	98½	99½
Borregaard 8½pc 1989	92½	93½
Carrier 8pc 1987	88½	89½
Conoco 8pc 1986	94	95
Consold. Foods 7¾pc 1991	85½	86½
Cutler Hammer 8pc 1987	90½	91½
EIB 9¼pc 1995	99½	100½
Esso 8pc 1986, Nov.	96½	97½
General Cable 8½pc 1987	85	86
General Motors 8½pc 1986	101	102
GTE 8¼pc 1986	96	97
ICI 7¾pc 1992	79½	81½
Nat. Grindlays 7½pc 1987	75	76
Pacific Light 8pc 1988	88½	89½
Prov. of Quebec 7½pc 1988	86½	87½
Quebec Hydro 8½pc 1989	97½	98½
Queensland 8½pc 1987	95½	96½
Scanraff 8½pc 1988	94½	95½
Shell 8pc 1986	94½	95½
Stand. Oil (Ind.) 8½pc 1988	98½	99½
Tenneco 7½pc 1987	86½	87½
Transocean 8pc 1986	94	95
TRW 8½pc 1986	97½	98½
Utah 8pc 1987	89	90
Volvo 9½pc 1985	99	100

NOTES	Bid	Offer
Air France 9½pc 1982	100½	101½
Australia Ind. Dev. Co. 10½pc 1981	101½	102½
Barclays 7½pc 1978	96	98
Cie Nat. Du Rhone 10pc '82	102½	103½
Du Pont 7½pc 1978	101	102
Esso 7½pc 1978	100½	101½
General Motors 8½pc 1978	100½	101½
Marubeni 9½pc 1982	99½	100½
Nippon Fudosan 10½pc 1981	102	103
Skandinaviska Enskilda 10½pc 1981	103½	104½
Tenneco 7½pc 1979	98	99
Tokyo Curacao 10½pc 1981	101½	102½

Source: White Weld Securities.

CONVERTIBLES	Bid	Offer
American Express 4½pc '87	78	80
Ashland 5pc 1988	76	78
Beatrice Foods 4½pc 1992	90	92
Beatrice Foods 4½pc 1992	100	102
Borden 5pc 1992	92½	94½
Broadway Hale 4½pc 1987	74	76
Canon Camera 7½pc 1989	88	90
Carnation 4pc 1987	86	88
Chevron 5pc 1988	99	101
Dart 4½pc 1987	79	81
Eastman Kodak 4½pc 1988	113	115
Economic Labs. 4½pc 1987	76	78
Eidai 7½pc 1989	74	76
Fed. Dept. Stores 4½pc 1985	129½	131½
Firestone 5pc 1988	89	91
Ford 6pc 1986	84	86
Ford 5pc 1988	74	76
General Electric 4½pc 1987	81½	83½
Gillette 4½pc 1987	70½	72½
Gould 5pc 1987	85	87
Gulf and Western 5pc 1988	86½	88½
Harris 5pc 1992	64	66
Honeywell 6pc 1986	75	77
ITT 4½pc 1987	69	71
Komatsu 7½pc 1990	105	107
J. Ray McDermott 4½pc '87	112	114
Mitsui 7½pc 1990	101½	103½
J. P. Morgan 4½pc 1987	98	100
Nabisco 5½pc 1988	91	93
Owens Illinois 4½pc 1987	86	88
J. C. Penney 4½pc 1987	78½	80½
Pioneer 6½pc 1989	152	157
Rank 4½pc 1988	41	42
Revlon 4½pc 1987	100	102
Sperry Rand 4½pc 1987	96½	98½
Squibb 4½pc 1987	83	85
Texaco 4½pc 1988	76	78
Toshiba 6½pc 1990	102	104
Union Carbide 4½pc 1982	101½	103½
Warner Lambert 4½pc 1987	90	92
Warner Lambert 4½pc 1988	76½	78½
Xerox 5pc 1988	75	77

Source: Kidder, Peabody Securities.

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CONTRACTS AND TENDERS

330 KV TRANSMISSION SYSTEMS

POWER TRANSFORMERS

Applications to tender are invited for the manufacture, supply, delivery, erection and commissioning for several power transformers units of 90 and 150 or 300 MVA, 330/132/13,8 KV for a total of 660 MVA.

These tender documents, for power transformers only, are an addendum to the bid documents for three complete substations. The employer has the right to award all or several units of transformers to the successful bidder for all the substations or to a specialized manufacturer for the power transformer.

The project will be financed by National Electric Power Authority (NEPA), Lagos, Nigeria. Payments will be made in the currencies quoted by the bidders.

Expenses incurred in Nigeria will be paid in Nigerian currency (Naira) only.

Tender documents will be available on November 14, 1975 and may be obtained through a written application accompanied by a cheque for the non-refundable charge of Swiss Francs 200.— to the consultants:

Motor-Columbus
Consulting Engineers Inc.
Parkstrasse 27
5401 Baden/Switzerland.
Telex No. 54 532 Moco Ch
Phone 056 22 94 21

A copy of the application shall be addressed to the National Electric Power Authority. The tender closing date is January 21, 1976.
National Electric Power Authority
(NEPA)
Lagos, Nigeria

APPOINTMENTS WANTED

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COMPETENT, PRACTICAL, CONSULTANT/EXECUTIVE
Offers services free to maintain skills. Any location. Expert in Printed Circuits Electronics, Production, Assembly, Sales, Control Procedures, etc. Genuine enquiries only please. No gimmicks or agencies.
Write Box A.5303, Financial Times, 10, Cannon Street, EC4P 4BY.

LEGAL NOTICES

No. 003381 of 1975

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of M.T.T.B. LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 15th day of October 1975, presented to the said Court by MOHAMMED KHAN DOMUN of Lilac Cottage, Burton Green, Rossett, near Wrexham in the County of Clwyd, Research Scientist, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand London WC2A 2LL, on the 17th day of November 1975, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

MACKRELL AND COMPANY,
31, Bedford Street,
Strand, London WC2E 9EH,
Agents for: BARTLETT & SON,
16, Nicholas Street,
Chester CH1 2NX.
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm, and must be signed by the person or firm, or his or their solicitor (if any) and must be served or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 14th day of November, 1975.

COMPANY NOTICES

JARDINE MATHESON AND CO., LIMITED

Notice to the holders of outstanding warrants to subscribe for Stock Units of Jardine, Matheson and Co., Limited, issued by the Bank of Bermuda Limited, as depositary, on November 15, 1971

NOTICE IS HEREBY GIVEN, pursuant to clause 4(A) of the terms and conditions endorsed upon the warrant that:

(1) The directors of Jardine, Matheson and Co., Limited, announced their intention on October 28, 1975, subject to passing of the requisite stockholders' resolutions at an Extraordinary General Meeting to be held on December 11, 1975:—

(A) To declare an Interim Dividend payable on December 17, 1975, to stockholders on the register as at the close of business on November 6, 1975, of HK Dollars 0.18 per stock unit to be satisfied by the issue of new stock units at market value with an equivalent cash alternative at stockholders' option;

(B) To offer by way of rights to stockholders on the register as at the close of business on November 6, 1975 HK Dollars 500 million 7½ per cent Convertible Subordinated Unsecured Loan Stock ("The Loan Stock") Due 1990 on the basis of HK Dollars 2.65 nominal of Loan Stock for each ordinary stock unit then held, such Loan Stock being convertible into fully paid stock units of the company at the rate (subject to adjustment) of HK Dollars 5,000 nominal of Loan Stock for every 200 stock units of HK Dollars 6 each and so in proportion for any greater or lesser number of stock units. The conversion price is effectively a premium of 6.8 per cent above the market price of HK Dollars 23.40 per stock unit as at the close of business on October 28, 1975. The proposed scrip dividend may have a marginal effect on the warrant subscription price dependent upon the extent to which stockholders elect to receive cash in lieu of the scrip dividend. The results of such election will be known on December 3, 1975, and if an adjustment to the warrant subscription price is required to be made, warrant holders will be notified accordingly in the usual way after the Extraordinary General Meeting convened for December 11, 1975.

(2) Warrant holders are advised that if they wish to obtain the right to participate in the proposed dividend and/or offering of the Loan Stock, they must exercise their subscription rights so as to become stockholders of record on or before November 6, 1975. No warrant holder exercising his subscription rights after November 6, 1975, will be entitled to participate in the dividend or in the offer of The Loan Stock.

By Order of the Board.
K. W. Young,
Secretary.

BOND DRAWINGS

REDERNES SKIBSKREDITFORENING
6%—1966/1980—UA 8,500,000 loan

Bonds for the amount of UA 610,750 have been drawn for redemption in the presence of a Notary Public on October 17, 1975.

The Bonds will be reimbursed cum coupon no. 21 on and after February 25, 1976.

The numbers of these Bonds are as follows:

(a) Bonds of nominal UA 1,000 (440)
189 and 190, 193, 195 and 196, 202 and 203, 206, 208 to 213 incl., 218, 220 and 221, 224 and 225, 235 and 236, 239 to 242 incl., 249 to 262 incl., 266 and 267, 272 to 301 incl., 309 and 310, 365 and 366, 391, 393 to 395 incl., 398 and 399, 414 to 419 incl., 422 to 433 incl., 436 to 438 incl., 449 and 450, 452 to 461 incl., 467 to 475 incl., 483, 485 to 494 incl., 496 and 497, 499 and 500, 519 to 522 incl., 578, 582 to 586 incl., 598 to 601 incl., 619 and 620, 661 to 673 incl., 675, 681 to 684 incl., 689 to 691 incl., 701 to 704 incl., 757 and 758, 812 to 861 incl., 912 to 916 incl., 957 to 968 incl., 975 to 978 incl., 980 to 988 incl., 1009 to 1015 incl., 1017, 1019 to 1023 incl., 1054 and 1055, 1058 to 1063 incl., 1066, 1080 to 1089 incl., 1134 and 1135, 1138 and 1139, 1141 to 1145 incl., 1150 to 1163 incl., 1169 to 1191 incl., 1227 to 1234 incl., 1238 to 1240 incl., 1243 and 1244, 1250 and 1251, 1262 to 1300 incl., 1312 to 1332 incl., 1343 and 1344, 1351 to 1374 incl.

(b) Bonds of nominal UA 250 (683)
6801 to 6806 incl., 6809 to 6837 incl., 6850 to 6855 incl., 6861, 6874 to 6876 incl., 6889 to 6898 incl., 6905 to 6912 incl., 6915 and 6916, 6918 to 6921 incl., 6961 to 6976 incl., 6981 to 7000 incl., 7004 and 7005, 7007 to 7014 incl., 7017 to 7030 incl., 7032 and 7033, 7061 to 7079 incl., 13068 to 13600 incl.

Amount unamortized: UA 2,820,000
Amount purchased in the market: UA 99,250
Outstanding drawn Bonds:
Bonds of UA 1,000: 113-5937 and 5938

Luxembourg, October 31, 1975

THE TRUSTEE
KREDIETBANK
S.A. Luxembourgeoise

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BOND DRAWING

CORRECTED NOTICE

16th November 1975 Redemption
SHELL INTERNATIONAL FINANCE N.V.
U.S. $50,000,000 6½% Loan 1979

Due to an error, Bond No. 39534 appeared incorrectly as 29534 in the advertisement which was published on 24th October 1975.

N. M. ROTHSCHILD & SONS LIMITED.

COMPANY NOTICES

LONDON TIN CORPORATION LIMITED

The Transfer Books will be CLOSED from 21st to 24th November, 1975, both dates inclusive.

PUBLIC NOTICES

EASTBOURNE BOROUGH COUNCIL

£0.425 bills placed 29th October, 1975, due 28th January, 1976 at 11 17/32%. These are the only bills outstanding.

Entertainment Guide

OPERA & BALLET

COLISEUM. (01-836 3161) ENGLISH NATIONAL OPERA. Tonight and Wed. 6.30 War and Peace. Tomor. & Tues. 7.30 La Bohème. Thur. 7.30 The Merry Widow.

COVENT GARDEN. 240 1066. THE ROYAL OPERA. Tonight, Mon. and Thur. 7 Carmen. Tomor. 7.30 THE ROYAL BALLET. Romeo and Juliet.

SADLER'S WELLS TH., Rosebery Ave. EC1. HANDEL OPERA SOCIETY. Tonight & Tomorrow 7.30: SEMELE.

THEATRES

ADELPHI THEATRE. 01-836 7611. ANGELA RICHARD KADDELEY ... A LITTLE NIGHT MUSIC.

ALBERY. 836 3878. ... LIES! A new play by Trevor Baxter.

ALDWYCH. 836 6404. ... Royal Shakespeare Company ...

AMBASSADORS. 01-836 1171-3212. ... HAPPY AS A SANDBAG ...

ARTS THEATRE CLUB. 836 3334. ... A CHORUS LINE ...

CAMBRIDGE THEATRE. 836 6056. ... THE BLACK MIKADO ...

COMEDY. 930 2578. ... A TOUCH OF SPRING ...

CASINO. 437 6877. ... DANNY LA RUE ...

CRITERION. 930 3216. ... ROSENCRANTZ AND GUILDENSTERN ARE DEAD ...

DRURY LANE. 836 8108. ... A CHORUS LINE ... A NEW MUSICAL ...

DUCHESS THEATRE. 836 8243. ... OH! CALCUTTA! NOW IN ITS 6th YEAR ...

DUKE OF YORK'S. 836 5122. ... LESLIE PHILLIPS ... ROGER'S LAST STAND ...

FORTUNE. 836 2238. ... THE CHARLES PIERCE SHOW ...

GARRICK. 836 4601. ... RICHARD BRIERS ... ABSENT FRIENDS ...

GLOBE THEATRE. 437 1592. ... THE NORMAN CONQUESTS ...

GREENWICH THEATRE. 01-858 7755. ... THE VORTEX ...

HAYMARKET. 930 9832. ... WILLIAM DOUGLAS HOME ... THE DUCK HUNT ...

HER MAJESTY'S THEATRE. 930 6606. ... THE KING AND I ...

KING'S ROAD THEATRE. 352 7488. ... THE ROCKY HORROR SHOW ...

LYRIC. 01-437 3686. ... JOAN PLOWRIGHT ... FRANK GRIMES ... ANTON CHEKHOV'S THE SEA GULL ...

MAYFAIR THEATRE. 01-629 3036. ... BILLIE WHITELAW, BARBARA FERRIS ... ALPHABETICAL ORDER ...

MAYFAIR. 493 2031. ... SOOTY'S CHRISTMAS SHOW ...

MERMAID. 248 7656. ... HERBERT FARJEON ...

NEW LONDON. 01-405 0072. ...

OLD VIC. THE NATIONAL THEATRE ... THE MISANTHROPE ...

PALACE. 437 6834. ... JESUS CHRIST SUPERSTAR ...

PALLADIUM. 437 7373. ...

PALLADIUM. ... MUST END TOMORROW ...

PHOENIX. 836 8611. ... TARANTARA! TARANTARA! ...

PICCADILLY. 437 4506. ... KWA ZULU ...

PRINCE OF WALES. 01-930 8681. ... RAKE'S PROGRESS ...

RAYMOND REVUEBAR THEATRE. 734 1593. ... PAUL RAYMOND presents ... EROTICA '75 ...

REGENT. ...

ROUNDHOUSE. 267 2564. ...

ROYAL COURT. 730 1745. ...

YOUNG VIC. ...

ST. MARTIN'S. 836 1443. ... AGATHA CHRISTIE'S THE MOUSETRAP ... World's longest-ever run. 23rd YEAR.

SAVOY. ... AGATHA CHRISTIE'S MURDER AT THE VICARAGE ...

SHAFTESBURY THEATRE. 01-836 6596. ... ARTHUR LOWE ... JOHN LE MESURIER ... DAD'S ARMY ...

SHAW. 01-388 1394. ... FURTHER ASPECTS OF MAX WALL ...

STRAND. 836 2660. ... NO SEX PLEASE, WE'RE BRITISH ... LONDON'S LONGEST LAUGH 5th YEAR

TALK OF THE TOWN. 01-734 5051. ...

VAUDEVILLE THEATRE. 01-836 9988. ... AMANDA BARRIE ...

VICTORIA PALACE. 834 1317. ...

WHITEHALL. 01-930 6692-7765. ...

WINDMILL THEATRE. 437 6312. ...

WYNDHAM'S. ... JOHN GIELGUD, RALPH RICHARDSON ... HAROLD PINTER'S NO MAN'S LAND ...

YOUNG VIC (by Old Vic). 928 6363. ...

CINEMAS

ABC 1 & 2 SHAFTESBURY AVE. 836 8861. ...

CASINO. 437 6877. EARTHQUAKE ...

CURZON, Curzon St., W.1. 499 3737. ...

EMPIRE, Leicester Square. ...

LEICESTER SQUARE THEATRE (930 5252). ...

ODEON, Haymarket. (930 2738-2771). ...

ODEON, Leicester Square. (930 6111). ...

PLAZA 2, Regent St. 839 6494. ...

PRINCE CHARLES, Leic. Sq. 437 8181. ...

RITZ, Leicester Square. 437 1234. ...

SCENE 1, Leic. Sq. (Wardour St.). 439 4470. ...

SCENE 2, Leic. Sq. (Wardour St.). 439 4470. ...

SCENE 3, Leic. Sq. (Wardour St.). 439 4470. ...

SCENE 4, Leic. Sq. (Wardour St.). 439 4470. ...

WARNER WEST END. Leicester Square. 439 0791. ...

ART GALLERIES

AGNEW GALLERY, 43 Old Bond St., W.1. 01-629 6176. BRITISH PAINTING 1900-1975 ...

ANTHROPOS GALLERY. ...

BEDFORD HOUSE STUDIO. ...

MARJORIE PARR GALLERY, 285 King's Road, Chelsea ...

ROYAL ACADEMY OF ARTS. ...

CLUBS

EVE, 169, Regent St. 737 0557. A la carte or All-in Menu. Spectacular Floor Show plus the rhythm of Los Vera Cruz and music of Johnny Hawksworth & Friends.

GARGOYLE, 69, Dean St., London, W.1. STRIPTEASE FLOORSHOW SEX UNLIMITED. Show at midnight and 1 a.m. Hostesses Monday-Friday. Closed Sats. 437 645[…]

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Premium positions available — rates on request. Write to: Classified Advertisement Department, Financial Times, 10, Cannon Street, EC4P 4B[…]

هكذا من الأصل

:OME CONTRACTS

Post Office recovers electricity contracts

TWO NEW Post Office contracts worth £1½m. in postage and involving 24m. items of mail have been signed with the Electricity Boards of the Midlands and Merseyside and North Wales.

The contracts win back to the Post Office 3.5m. customer accounts a year which had been hand delivered by the electricity board's own staff.

Mr. Alex Currall, managing director of Posts, said yesterday: "Each of these contracts was secured because we were able to offer terms and services which were commercially attractive to the Boards."

The terms were possible because sorting work normally carried out by the Post Office could be done automatically by the customers' computers.

The Post Office has made a marketing drive on sales of postal contracts over the past four years, as a result of which 40 per cent of postal business and 360m. inland and overseas letters and periodicals are posted under contract each year.

★

HARDSTOCK (SCOTLAND), part of Babcock and Wilcox, has been awarded a second contract worth £2,268,000 to build 261 houses as part of phase 2 of the Abronhill development being undertaken by Cumbernauld Development Corporation. Phase 1, worth more than £2.2m., was awarded to Hardstock recently.

★

ENERGY COMMUNICATIONS, recently formed by Cable and Wireless and International Aeradio to provide integrated communications systems for the North Sea, has been awarded a contract to purchase, supply, operate and maintain an offshore communications system for the Piper and Claymore fields of the Occidental Consortium. It covers the buy-back of equipment already purchased by Occidental, mainly from Marconi Communications Systems, and its subsequent system operation, management and maintenance.

★

ACALOR INTERNATIONAL, Crawley, Sussex, has been awarded a £77,000 contract for chemical resistant linings, finishes and coatings to concrete and steel surfaces at the CEGB's new Ince B power station at Chester by Sir Alfred McAlpine and Son.

★

MARCONI COMMUNICATION SYSTEMS has won an order from London Transport for 150 of its buses to be equipped with GEC Mobile Radio's RC625 Messenger f.m. radiotelephone. This is part of the first phase of a plan to equip its entire fleet with radio. The RC625 will be used initially as a deterrent to violence and vandalism. Later, however, LT expects to use the equipment for transmission and reception of automatic 1200 baud data for computer assisted control of its bus fleet.

★

KENT INSTRUMENTS has won orders totalling more than £208,000 for an extension to British Petroleum's industrial power generation plant at Grangemouth, where a 75 MVA extension is being added to the existing station, making a total of 215 MVA. The orders, placed by Babcock and Wilcox, cover the design, supply, installation and commissioning of process instrumentation on two new boilers of the multi-fuel firing type. An additional order has been received for instrumentation of a pressure reducing and desuperheating plant.

Awaiting NY City events: up 0.79

BY OUR WALL STREET CORRESPONDENT

NEW YORK, Oct. 30.

LITTLE CHANGE was recorded on Wall Street to-day, when operators were waiting to see whether the expected financial collapse of New York City, following President Ford's decision against a Federal bailout, would hurt the U.S. economy and Securities Markets.

The Dow Jones Industrial Average firmed 0.79 to 839.42 but the NYSE All Common Index shed 8 cents to $47.18, while losses led gains by 726-to-615. Trading volume further decreased 1.03m. shares to 15.08m.

The Stock Market gained some support from a Mid Western bank's cut in the prime rate to 7½ per cent. from 7¾ per cent.

Money specialists say First National City Bank of New York may cut its rate to 7½ per cent. to-morrow.

Chrysler shed another $¾ to $10¾ on the omission of the fourth-quarter dividend after its $79m. loss for the third quarter.

Anaconda gave way $¾ to $14¾—Crane off $¾ at $46¾, amended downwards its proposed exchange offer for 5m. Anaconda shares.

Quaker Oats gained a further $1⅞ to $23¾ on its sharply higher September quarter net.

Morse Shoe advanced $1¼ to $10¾ on third-quarter net of 61 (one) cents a share.

A block of 100,300 shares of General Telephone and Electronics traded at $22½, with the issue closing at $22¾, off $⅜.

White Consolidated Industries improved $¾ to $23¾ on higher third-quarter net.

Hewlett Packard lost $2¾ to $99¾ on its forecast "flat" earnings for the year.

Texaco picked up $¼ to $24½, despite third-quarter results of 86 cents a share against $1.38 a share.

In the Banking group National Chemsearch lost $1¼ to $31½ and J. P. Morgan $2 to $47.

The American SE Market Value Index dipped 0.12 to 82.80, with declines outnumbering advances by 301 to 237.

Canada mixed

Canadian Stock Markets were narrowly mixed in light trading yesterday.

The Gold Share Index put on 0.87 to 285.39, Western Oils rose 0.41 to 190.06 and Banks stiffened 0.23 to 244.36, but Industrials eased 0.03 to 166.98, Base Metals shed 0.15 to 70.93. Utilities lost 0.17 to 120.30 and Papers dipped 1.21 to 97.15.

Grafton Group added $2 at $27. Crown Life Insurance were up $1½ to $57½, and Vestgron Mines moved ahead $1¼ to $13¾ on higher earnings.

Steel of Canada lost $½ to $26¼ on lower third-quarter and nine-month earnings.

OTHER MARKETS

PARIS—Lower levels, with only isolated steady spots.

Poclain fell in Engineerings, Moulinex declined in Electricals, and CFP dipped in Oils.

Foreign stocks eased, apart from Golds.

BRUSSELS—Mixed in continued slow trading.

Steels and Metals finished narrowly irregular, Electricals were steady, while Holdings moved marginally either way.

In lower Chemicals, Solvay fell B.Frs.65 to B.Frs.2,285, while Petrofina slipped B.Frs.30 to B.Frs.4,810 in easier Oils.

U.S. shares declined broadly.

Among steady Dutch shares, Philips were up B.Frs.12 to B.Frs.372. Peugeot fell B.Frs.40 to B.Frs.2,780 in mixed French stocks. Germans eased, with Bayer off B.Frs.15 to B.Frs.1,785.

AMSTERDAM — Generally weaker, although Dutch Internationals met late Foreign demand. Akzo firmed Fls.0.4 to Fls.36.3 and Philips rose Fls.0.7 to Fls.24.7.

KLM put on another Fls.2 to Fls.51.5 ahead of its first half figures. Heineken gained Fls.1.5 to Fls.147.

Leading losers were Berkel, Ommeren and Oce.

SWITZERLAND—Markets edged slightly lower on profit-taking, but activity was rather quiet.

Swissair Bearer moved sharply higher in Transports. Among Financials, Elektrowatt and Oerlikon-Duehrle each lost ground.

Some recent favourites among Industrials, including Brown Boveri, Hero Conserven and Nestle were subjected to profit-taking, while Roco "A" and Sulzer Registered each moved markedly higher.

Dollar stocks drifted lower over a broad front. Dutch Internationals eased, apart from a very steady Akzo.

MILAN—Mainly higher in fairly cautious trading.

Bonds were quietly resistant.

GERMANY—Generally firm.

Banks, major Chemicals and Metals were little changed, while Stores and Engineerings were mixed.

Heavily traded shares such as VW rose DM4.90, AEG put on DM1.60 and Daimler were lifted DM6.1.

The Bond Market was quiet with Public Loans gaining up to DM0.35, although some rail Loans were lower.

OSLO—Banking and Industrials were slightly irregular, Insurances weaker, while Shippings were quiet.

VIENNA—Slightly firmer. Banks were little changed while Constructions were lower.

COPENHAGEN—Higher in active trading.

HONG KONG—Prices continued to drift downwards as selling pressure persisted.

Hong Kong Bank were down 50 cents to $HK15.80, Hong Kong Land 10 cents to $HK6.25, Hutchison 4 cents to $HK1.72, Jardine 30 cents to $HK22.30 and Hong Kong and Kowloon Wharf 30 cents to $HK10.80.

TOKYO—Lower in limited trading. Volume 200m. (300m.) shares.

AUSTRALIA—Mines and Industrials led a widespread retreat. A shift in political fortunes away from the Liberal Country Party opposition threw markets into some disarray.

Individual losses were not large but the mood of markets turned pessimistic.

Poseidon came back 15 cents to $A1.60.

Utah dipped 14 cents to $A9.50 in weak Coals.

CRA lost 5 cents to $A2.15, MIM 10 cents to $A1.90 and North BH 8 cents to $A1.40 in Base Metals.

Western Mining were off 6 cents to $A1.44 on the chairman's forecast of a 50 per cent. drop in first-half profits.

JOHANNESBURG—Gold shares continued their upward trend following the higher bullion price. Selective stocks were active.

Financial Minings hardened. In Coppers, Palamin rose 50 cents to R10.50. Platinums were firmer. In other Metals, Msauli gained 7 cents to R2.22.

Indices

NEW YORK

DOW JONES AVERAGES

Close	Home Bonds	Transport	Indus.	Util.	Trading volume† 000's
Oct. 30	68.63	166.67	839.42	81.96	15,080
29	68.46	165.23	838.63	82.02	16,110
28	68.51	166.64	851.46	82.66	17,060
27	68.36	166.76	838.43	82.44	15,100
24	68.54	166.58	840.52	82.47	18,120
23	68.37	168.18	855.16	82.89	17,900
22	68.34	167.81	849.67	82.79	16,060
21	68.16	168.02	846.82	82.83	20,600
20	68.14	166.71	842.25	82.12	13,250
17	67.98	164.86	832.18	82.51	15,650
16	68.09	165.52	837.55	82.51	18,910
15	68.03	166.38	837.22	81.86	14,440
14	67.94	167.28	836.25	81.51	19,960
13	67.96	165.16	837.77	81.19	12,020
10	67.72	165.06	823.91	80.59	14,680
9	67.75	162.75	824.54	79.56	17,770
8	67.55	162.94	825.81	78.25	17,800
1975 High	69.92 (4/4)	174.12 (5/6)	881.81 (15/7)	87.07 (24/6)	—
Low	66.16 (3/1)	146.47 (2/1)	682.04 (2/1)	72.02 (2/1)	—
All-time High	—	279.88 (7/2/69)	1051.70 (11/1/73)	165.32 (20/4/65)	—
Low	—	13.23 (8/7/32)	41.22 (8/7/32)	10.58 (28/4/42)	—

† Excluding bonds.

IND. DIVIDEND YIELD p.c.

Oct. 24	Oct. 18	Oct. 25 1974
4.56	4.60	5.97

N.Y. SE ALL COMMON INDEX

December 31, 1965=50

1975 High	1975 Low	Oct. 30	Oct. 29	Oct. 28	Oct. 27	Oct. 24
51.24 (15/7)	37.06 (2/1)	47.18	47.26	47.89	47.52	47.57

RISES AND FALLS

Issues traded	Up	Down	Unchanged
1,789	615	726	448

	Oct. 30	Oct. 29	Oct. 22	Oct. 27	Oct. 24
New Highs	25	29	40	20	39
" Lows	25	19	21	17	11

AMERICAN SE MARKET VALUE INDEX

Starting base 100 Aug. 31, 1973.

1975 High	1975 Low	Oct. 30	Oct. 29	Oct. 28	Oct. 27	Oct. 24
86.80 (15/7)	62.20 (2/1)	82.80	82.92	85.49	85.09	85.07
Volume (000's)		1,390	1,670	1,660	1,320	1,820

STANDARD AND POORS U.S. STOCK INDICES

	*Industrials	†Composite
Oct. 30	100.08	89.31
" 29	100.19	89.39
" 28	101.47	90.51
" 27	100.52	89.73
" 24	100.69	89.33
" 23	102.29	91.24
" 22	101.67	90.71
" 21	101.49	90.56
1975 High	107.40 (15/7)	95.91 (15/7)
1975 Low	77.71 (2/1)	70.74 (8/1)

* 425 Industrials. † 425 Industrials, 50 Utilities, 25 Rails.

STOCK AND BOND YIELDS

	Oct. 29 1975	Oct. 22 1975	Oct. 30 1974
Ind. Ord. yield pc	3.78	3.74	4.65
Ind. Ord. p/e ratio	11.80	11.97	8.60
Long-term Govt. Bds. per cent.	6.09	6.00	6.71

THURSDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Polaroid	239,300	36⅛	—
Nat. Semiconductor	146,800	41¾	−3½
McDermott	143,600	37	+⅛
Quaker Oats	133,000	23¾	+1⅞
Gen. Tel. Elec.	126,200	22¾	−⅜
Firestone Tire	128,100	22⅛	−⅜
Westinghouse Elec.	122,200	13	−⅛
CITI	113,400	27	−¼
Upjohn	110,700	40⅞	—
Amer. Tel. and Tel.	106,900	49⅞	+⅛

TORONTO

INDUSTRIAL INDEX

Oct. 30	Oct. 29	1975 High	1975 Low
166.98	167.01	196.50 (15/7)	139.41 (2/1)

MONTREAL

INDUSTRIAL INDEX

Oct. 30	Oct. 29	1975 High	1975 Low
171.14	171.43	205.61 (15/7)	139.95 (2/1)

COMBINED INDEX

Oct. 30	Oct. 29	1975 High	1975 Low
168.60	168.83	198.00 (15/7)	136.65 (2/1)

JOHANNESBURG

	Oct. 30	Oct. 29	1975 High	1975 Low
Industrials	201.4	200.9	238.9 (16/7)	185.2 (23/1)
Gold	238.7	232.6	379.1 (2/1)	203.3 (10/9)

(1958=100.) Source: Rand Daily Mail.

MELBOURNE YIELDS

Av'ge yield on 50 Leading Stocks	Oct. 30	Oct. 23	Oct. 16
On Dividends	6.50	6.47	6.18
On Earnings	10.77	10.58	10.27

SYDNEY ALL ORD. INDEX

Oct. 30	Oct. 29	High 1975	Low 1975
404.60	407.38	422.40 (14/10)	288.88 (9/1)

TOKYO NEW SE INDEX

Base=100 January 4, 1968.

Oct. 30	Oct. 29	High 1975	Low 1975
315.20	317.14	333.11 (2/7)	268.24 (10/1)

HONG KONG INDEX ⊕

Oct. 30	Oct. 29	High 1975	Low 1975
308.38	313.56	341.57 (9/6)	160.42 (9/1)

SINGAPORE INDEX §

Oct. 30	Oct. 29	High 1975	Low 1975
229.89	227.67	268.69 (11/3)	153.26 (8/1)

EUROPE

	Oct. 30	Previous	1975 High	1975 Low
Belg'm (a)	98.34	98.75	111.81 (15/6)	89.07 (2/1)
Denm'k (b)	96.61	95.97	96.61 (30/10)	73.06 (13/1)
France (d)	66.4	66.9	72.6 (23/4)	51.70 (2/1)
Germ'y (e)	727.1	726.6	727.1 (30/10)	573.5 (2/1)
Holland (f)	87.5	88.2	101.6 (16/5)	25.2 (2/10)
Italy (g)	79.49	79.09	108.86 (21/2)	75.41 (17/1)
Spain (h)	93.58	94.22	110.96 (22/4)	91.85 (19/9)
Sweden (k)	396.27	397.65	407.52 (24/10)	310.56 (9/1)
Switz'rl'd (m)	254.6	254.4	280.1 (6/5)	206.5 (2/1)

Indices and base dates (all base values 100):— (a) Belgian S.E. 31/12/63. (b) Copenhagen S.E. 1/1/73. (d) Paris Bourse 1961. (e) Commerzbank December 1953 (f) Amsterdam Industrial 1970. (g) Milan 2/1/73. (h) Madrid S.E. 31/12/74. (k) Stockholm Industrial 1/1/58. (m) Swiss Bank Corp. 31/12/58. (u) Unavailable. ⊕ Hang Seng Bank 31/7/64 § Straits Times 1966. (c) Closed † Adjusted.

$ weaker

The U.S. dollar fell sharply against most major currencies in the foreign exchange market yesterday, but the decline was generally confined to early dealings, with the U.S. unit showing a firmer trend during the afternoon. European central banks were reported to have given further support to the dollar, with the West German authorities purchasing $10m. The Bank of France and the Swiss authorities also intervened in the market during the morning to support the dollar.

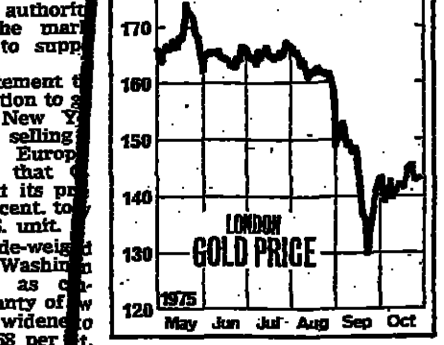
President Ford's statement that he will veto any legislation to give financial support to New York City caused nervous selling of the dollar in most European centres. Confirmation that one bank will probably cut its prime lending rate of 7¾ per cent. to 7½ also depressed the U.S. unit.

The dollar's trade-weighted depreciation since the Washington Currency Agreement, as calculated by Morgan Guaranty of New York on noon rates, widened to 2.71 per cent. from 2.58 per cent. In terms of the German mark the dollar finished at DM2.55½, against the previous DM2.57, and at Frs.4.35½, compared with Frs.4.37¼, against the French franc.

Sterling improved against the dollar, but was unchanged against major currencies in general. Its trade-weighted depreciation since the Washington Agreement as calculated by the Bank of England, was unchanged at 29.2 per cent., after standing at 29.3 per cent. at noon and in early dealings.

The pound began at $2.0710-$2.0720, and after touching $2.0740-2.0750, eased to $2.0725-$2.0735 at the close, a gain of 45 points on the day.

Gold gained $¾ to $143¼-144¼. The krugerrand's premium over its gold content widened to 3.48 per cent., from 2.80 per cent.



SPECIAL DRAWING RIGHT RATES

One SDR is equal to	Oct. 29	Oct. 28
Sterling	0.571939	0.572125
U.S. dollar	1.18174	1.18201
Belgian franc	45.8855	45.8531
Deutsche mark	3.04026	3.03847
French franc	5.18872	5.18164
Italian lira	800.304	800.043
Japanese yen	356.472	356.258
Dutch guilder	3.12688	3.12760
Swedish krone	5.16007	5.17307

Values are for currencies against the SDR as calculated by the International Monetary Fund in Washington.

EXCHANGE CROSS RATES

Oct. 30	Frankfurt	New York	Paris	Brussels	London	A'sterdam	Zurich
Frankf't	—	2.5615-30	[illegible]60-70	6.43-45	5.285-300	97.40-55	97.30-44
N.York	39.14-16	—	[illegible]97-99	2.60-605	2.0735-0745	38.10-12	38.06-07
Paris	170.325-725	4.3475-357[illegible]	—	11.2965-321	9.01-035	165.9¾-375	165.765-165
Brussels	16.06-09	38.45-48	[illegible]33-85	—	79.70-78	14.69-72	14.66-69
London	6.29¼-30¼	2.0725-35	[illegible]02¼-03¼	79.70-90	—	5.42¾-43¾	5.45¼-44¼
Am'erdam	102.60-65	2.6197-[illegible]	[illegible]0.205-255	6.6046-95	5.4305-55	—	99.935-985
Zurich	102.60-77	2.622-62[illegible]	[illegible]0.21-31	6.81¼-82¼	5.4315-35	99.90-05	—

U.S. $ in Montreal U.S. $=102.14-16 Canadian cents. Canadian $ in New York [illegible]=98.02-04 U.S. cents. U.S. $ in Milan 673.50 Sterling in Milan 1396.30.

EURO-CURRENCY INTEREST RATES*

Oct. 30 1975	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	W. German mark	Swiss franc
†Short term	11⅛-11⅝	5[illegible]	7-8	5½-5¾	3-3¼	⅛-1
7 days notice	10⅞-11¼	5[illegible]	7½-8½	5½-5¾	3-3¼	¾-1¼
Month	11⅜-11¾	5[illegible]	8¼-8⁹⁄₁₆	5-5¼	3½-3¹¹⁄₁₆	1⅜-1½
Three months	12-12⅜	6[illegible]	8⅞-8¹⁄₁₆	5-5¼	3⅞-4⅛	3¼-3½
Six months	12¼-12⅝	7[illegible]	9⅝-9½	5⅛-5⅜	4½-4⅝	3⁵⁄₁₆-3⅞
One year	12½-12⅞	7[illegible]	9⅝-9½	5⅞-6⅛	5⅝-5⅞	4⅜-4¾

Euro-French deposit rates: short-term 6¼-6¾ per cent.; seven days' notice 6¼-6¾ per cent.; one month 6¾-7 per cent.; three months 7¼-7½ per cent.; six months 7¼-8¼ per cent.; one year 8¼-8¾ per cent.

Longer-term Eurodollar deposit: two years 8¾-8¾ per cent.; three years 9¼-9¾ per cent.; four years 9¼-9¾ per cent.; five years 9¾-9¾ per cent.

The following nominal rates were quoted for London dollar certificates of deposit: one month 5¹⁵⁄₁₆-6 per cent.; three months 6¾-6¹⁵⁄₁₆ per cent.; six months 7¾-7¾ per cent.; one year 7¾-8¹⁄₁₆ per cent.

* Rates are nominal closing rates.

† Short-term rates are call for sterling, U.S. dollars and Canadian dollars; and two days' notice for guilders and Swiss francs.

GOLD MARKET

	Oct. 30 1975	Oct. 29 1975
Gold Bullion (a fine ounce) Close	$143¼-144¼	$142½-143½
Opening	$143¼-144¼	$142½-143½
Morning fix'g	$144.0 (£69.458)	$142.5 (£68.940)
Afternoon fix'g	$143.75 (£69.290)	$142.75 (£68.978)
Gold Coins (domestically) Krugerrand	$147¾-149¾ (£71¼-72¼)	$146-148 (£70½-71½)
New sov'r'gns	$46-48 (£22¼-23¼)	$45½-47½ (£22-23)
Old sov'r'gns	$46-48 (£22¼-23¼)	$45½-47½ (£22-23)
Gold Coins (Int'rn'n'aly) Krugerrand	$147¾-149¾ (£71¼-72¼)	$146-148 (£70½-71½)
New sov'r'gns	$43½-44½ (£21-21½)	$43¼-44¼ (£20¾-21¼)
Old Sov'r'gns	$43½-44½ (£21-21½)	$43¼-44¼ (£20¾-21¼)
$20 Eagles	$224-227	$223-226
$10 Eagles	$116-119	$115-118
$5 Eagles	$75-78	$74-77

FOREIGN EXCHANGES

Oct. 30 1975	Bank Rates %	Day's Spread	Close
New York	6	2.0700-2.0750	2.0725-2.0735
Montreal	8¼	2.1150-2.1200	2.1175-2.1185
Amst'rdam	4½	5.42-5.45	5.42¾-5.43¾
Brussels	†6	79.60-80.00	79.70-79.90
Copenh'gen	7½	12.32¾-12.37¾	12.34¼-12.35¼
Frankfurt	3½	5.27¾-5.31	5.29¼-5.30¼
Lisbon	6½	54.70-55.10	54.80-55.00
Madrid	†7	121.80-122.30	121.90-122.10
Milan	6	1,396-1,400	1,397-1,399
Oslo	5	11.31-11.34	11.32-11.33
Paris	8	9.01-9.04	9.02¾-9.03¾
Stockholm	6	8.96-9.01	8.98¾-8.99¾
Tokyo	6½	622-628	6.24¾-6.26¾
Vienna	6	37.30-37.70	37.45-37.65
Zurich	5	5.42-5.46	5.43¾-5.44¾

† Basic discount. ‡ Rates given are for convertible franc; closing financial franc 81.80-82.00.

OTHER MARKETS

		§Notes Rates	
Argentina	◆78.05-78.25	Argentina	170-200
Australia	1.6225-1.6387	Austria	36¾-39
Brazil	17.81-18.01	Belgium	81¼-83½
Finland	7.94-7.95	Brazil	20-23
Greece	70.452-72.184	Canada	2.11½-15½
H'ngKong	10.4450-.4250	Denmark	12.25-.45
Iran	142.2-144.2	France	8.95-9.15
Kuwait	0.598-0.608	Germany	5.25-5.40
Luxemb'g	79.70-79.90	Greece	72½-75
Malaysia	5.2875-5.2730	Italy	1510-1600
N Zealand	1.9568-1.9700	Japan	610-640
SaudiArab	7.29-7.36	Neth'rl'ds	5.35-5.55
Singapore	5.1870-5.0945	Norway	11.20-.40
S.Africa	1.7353-1.8110	Portugal	75-85
U.S.—		Spain	124-127
Canada		Sw'tz'l'nd	5.35-5.55
C$1—		U.S.	2.06½-08
U.S.cents	97.84-97.87	Yugosl'ia	42-44

§ Based on rates quoted by specialist dealers. Other rates may be quoted elsewhere. ◆ Rate given is the commercial rate; financial rate 99.96-100.18.

Special financial rate: 142.43-142.63. All rates nominal.

FORWARD RATES

—	One month	Three months
New York	0.97-0.87 c.pm	2.60-2.50 c.pm
Montreal	0.60-0.50 c. pm	1.50-1.40 c.pm
Amst'dam	3¼-2¼ c. pm	9¼-8¼ c.pm
Brussels	46-25 c. pm	120-100 c.pm
Cop'nhg'n	8½-6½ ore pm	17-15 ore pm
Frankfurt	4-3 pf. pm	11-10 pf pm
Lisbon	30 c. pm-40c.dis	45c.pm-85 c.dis
Milan	4-2lire pm	6½-4½ lire pm
Oslo	6¼-4¼ ore pm	16¾-14¾ ore pm
Paris	4-2 c. pm	10½-8½ c pm
Stockh'lm	3¾-1¾ ore pm	10¾-8¾ ore pm
Vienna	35-10 gro pm	70-40 gro pm
Zurich	5¼-4¼ c. pm	12¼-11¼ c.pm

Six-month forward U.S. dollar 4.60-4.50c pm and 12-month 8.20-8.10c pm.

OVERSEAS SHARE INFORMATION

Investment premium based on $2.60 per £1—103½% (101¾%)

NEW YORK

Stock	Oct. 30	Oct. 29
Addressograph	8	8⅛
Aetna Life & Cas.	20⅞	22½
Corning Glass	38⅞	38¾
CPC Int'nation'l	46⅝	45
Crane	46⅜	46½
Crocker Nat.C.P.	21	21¼
Johns Manville	21¼	21
Johnson Johnson	90	90
Johnson Control	12½	12¾
Joy Manufactur'g	65⅛	64⅝
RCA	18⅛	18⅛
Reading	2	2
Republic Steel	29¼	29½
Revlon	76½	75¾
Zenith Radio	23⅝	23⅝
Chile 5% 1993	86	86
Peru 5% 1993	†95⅛	†95⅛
U.S.Treas5¾%1974	†99⅜	†99⅜
[illegible]	[illegible]	[illegible]

CANADA

Stock	Oct. 30	Oct. 29
[illegible]	[illegible]	[illegible]

GERMANY ◆

Oct. 30	Prices Dm.	+ or −	Div. %	Yld. %
A.E.G.	85.2	+1.6	—	—
Allianz Versich.	467	−2	17	1.8
B.M.W.	232		14	3.0
BASF	139		17	6.2
Bayer	114.7	−0.1	17	7.0
Bayer Hypo	309		18	2.8
Bayer Vereinsbk	338	−1	18	2.4
Commerzbank	204		17	4.2
Conti. Gummi	67.5	+1.5	—	—
Daimler	334.2	+6.1	15	2.3
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

MILAN

Oct. 30	Price Lire	+ or −	Div. Lire	Yld. %
Alitalia Priv.	780	[illegible]	—	—
ANIC	695	[illegible]	60	8.6
Ausonia Ass	3,840	[illegible]	130	3.4
Bastogi	1,196	[illegible]	70	6.1
Breda	2,569	[illegible]	150	5.8
Burgo	11,300	[illegible]	200	1.7
Cantoni	7,450	[illegible]	200	2.7
CIGA	1,200	[illegible]	—	—
Cucurini	4,200	[illegible]	250	6.0
Dalmine	347.75	[illegible]	50	1.5
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

AUSTRALIA

Oct. 30	Aust. $	+ or −
Acrow Australia	†0.65	−0.05
Adelaide Brighton Cem 50c	†0.96	−0.05
Allied Mafg. Trdg. Indus$1	†1.65	—
Ampol Exploration	†0.65	—
Ampol Petroleum	†0.43	−0.03
Assoc. Minerals	†2.87	—
Assoc. Pulp Paper $1	†0.85	—
Aust. Con Industries	†1.35	—
Aust. Foundation Invest.	†0.75	−0.01
A.N.I.	†0.93	—
[illegible]	[illegible]	[illegible]

JOHANNESBURG

MINES

October 30	Rand	+ or −
Anglo American Corpn.	4.25	+0.15
Buffelsfontein	†17.00	+0.50
Charter Consolidated	†2.95	−0.05
Consolidated Gold	3.77	+0.12
East Driefontein	11.20	+0.25
Elsburg	2.63	+0.13
Harmony	6.70	+0.40
Kinross	†3.05	+0.05
Kloof	9.75	+0.25
[illegible]	[illegible]	[illegible]

INDUSTRIALS

[illegible]	[illegible]	[illegible]

PARIS

Oct. 30	Price Frs.	+ or −	Div. Frs.	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

BRUSSELS

Oct. 30	Price Frs.	+ or −	Div. Frs. Net	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

AMSTERDAM

Oct. 30	Price Fls.	+ or −	Div. %	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SWITZERLAND

Oct. 30	Price Fr.	+ or −	Div. %	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

TOKYO ¶

Oct. 30	Prices Yen	+ or −	Div. %	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Source: Nikko Securities, Tokyo

COPENHAGEN

Oct. 30	Price Kroner	+ or −	Div. %	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

STOCKHOLM

Oct. 30	Price Kronor	+ or −	Div. Kr.	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

VIENNA

Oct. 30	Price %	+ or −	Div. %	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

OSLO ◆

Oct. 30	Price Kroner	+ or −	Div. %	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SPAIN ♥

October 30	Per cent.	
[illegible]	[illegible]	[illegible]

NOTES: Overseas prices exclude $ premium. Belgian dividends are after withholding tax. [illegible]

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FARMING AND RAW MATERIALS

U.K. beet contract agreed

By Our Commodities Staff

THE BRITISH Sugar Corporation has reached agreement with the National Farmers' Union on the 1976-77 sugar beet contract, which is expected to be worth £19.28 a ton.

The guaranteed basic price—currently £13.92 following the recent Green Pound devaluation—is raised to £15 a ton but the pulp allowance is cut by £1 to £1.88 a ton. In addition, the NFU has accepted a fixed payment of £1 a ton instead of a share of any additional sugar income. The remaining £1.40 is the forecast level of the transport allowance.

The basic price will be paid even if the EEC price remains below this level but if the EEC price increases to above £15 British Sugar will pay farmers *the higher price*.

A British Sugar spokesman said there was "a strong swings and roundabouts element to the agreement," with the cut in the pulp price being offset by the additional fixed payment. However, farmers will no longer have the usual sharing arrangement which comes into effect if the sugar price goes above the U.K. intervention level. The NFU has also given up the farmers' right to be paid a share of any income arising from EEC price increases affecting the value of sugar stocks held by British Sugar.

More consumer interest in EEC farm policy urged

BY ROBIN REEVES

LUXEMBOURG, Oct. 30.

A STRONG PLEA for the EEC's Common Agricultural Policy to start taking more account of consumers' interests from Mrs. Shirley Williams, the Secretary of State for Prices and Consumer Protection, was given a polite reception to-day by Common Market Agricultural Ministers reviewing the reform of the CAP. Later it was referred for further consideration to the Rome summit meeting of EEC heads of government in December.

Describing her intervention—the first ever by a consumer affairs Minister—in the Council of Agricultural Ministers' CAP reform debate as that of a "cuckoo in the nest," Mrs. Williams warned that consumer interests were likely to bear more *strongly on agricultural policy in future*.

The CAP, she accepted, was one of the "cementing facts" of Europe in advance of other common policies, but Farm Ministers would be most unwise not to recognise the scale of the criticisms levelled against it, she said.

Two criticisms

At the end of the discussions Ministers agreed that a high-level group of officials should prepare a paper highlighting the main issues to be put to EEC Heads of Government at the Rome summit in early December.

This is likely to cover the main guidelines for dealing with sectors prone to produce surpluses like milk, cereals and wine, and future EEC policy on both imports and exports of agricultural produce.

Mrs. Williams singled out two major areas of criticism of the CAP. One was the sale of surpluses below economic prices to countries like the Soviet Union, which she reminded the Council had had very adverse political consequences. Community consumers should have priority in the disposal of surpluses.

The other was the failure of the CAP to take account of the resource cost as well as the budgetary cost of its market support mechanism. Mrs. Williams instanced the CAP's reliance on intervention buying to support the beef market. This might be cheaper in simple budgetary cost terms than paying variable premiums (deficiency payments) to give the beef producer an adequate return. But the resource cost to the consumer was very much higher.

British deficiency payments this year had cost £97m. against an estimated £80m. if intervention had been employed instead. But British consumers had saved £200m. as a result of being able to buy beef more cheaply.

Arguing similarly for butter, Mrs. Williams said something had to be done to restrain the rise in butter prices, which are due to go up sharply between now and 1978 under arrangements for U.K. transition to full EEC price levels.

Other Ministers accepted that such a rise would damage U.K. butter consumption, but officials from producing countries like France and Ireland tended to point to the fact that a significant part of the market was being filled by a non-EEC producer—namely New Zealand.

Mrs. Williams urged a factual study of the least expensive way of operating the policy, taking account of both resource and budgetary costs before deciding the balance to be struck between the price level, direct income support and national aids for individual farm commodities. She suggested that this might be the most effective way of holding down the overall cost.

Speaking to journalists afterwards, Mrs. Williams said she had been surprised to find rather more "give" in the session than *she had expected*. "Even the French said there ought to be major changes in the CAP," she remarked.

Dairy sector

On the subsidised sale of EEC surpluses to Community consumers, Mrs. Williams stressed that the Government was against means-tested subsidies. Apart from the principle at stake, the social butter scheme, which ended last December, was very expensive to administer. However, she commended general or what she termed generation subsidies used for butter and for beef (the voucher scheme) in recent times as being a good thing and cheap to administer.

Mr. Fred Peart, the Minister of Agriculture, called for the Brussels contribution to the consumer butter subsidy to be bumped up from its present 20 per cent. to 50 per cent. of the overall cost. He urged a cut in the EEC subsidy on skimmed milk for animal feed use from 100 per cent. (costing some £300m. in a full year) down to 50 per cent. This would produce a significant saving in expenditure in the dairy sector which accounts for some 40 per cent. of the EEC farm budget.

A Common system of U.K.-style variable premiums paid at least in part by Brussels, underpinned only as necessary by intervention support. He argued that intervention buying could be restricted to those times of the year when it was most needed, principally the autumn months.

Fall in tin prices halted

By John Edwards, Commodities Editor

A FURTHER slide in tin prices on the London Metal Exchange yesterday was halted by heavy support buying, almost certainly on behalf of the buffer stock of the International Tin Agreement. As a result, the cash price, which fell as low as £3,000 at one stage in the morning, climbed to £3,023.5 a tonne, £1.5 up on the previous close. The three months quotation also rallied to £3,051.5 a tonne, but was still £7 down on the day after losses in earlier trading.

The London market opened on a shaky note, following another fall in the Straits tin price in Penang overnight. The further decline of nearly $M7 to $M936 a picul means the Penang market has come *down by some $M20 in the* past week and is now ominously close to the Tin Agreement "floor" of $M900.

In view of the strain of recent support buying on buffer stock resources, the size of yesterday's purchases took the market somewhat by surprise. It remains to be seen whether the fall in Penang can be reversed.

Meanwhile, zinc prices fell back yesterday, following the failure of expected support buying by producers to emerge. The market was also depressed by official confirmation that New Jersey Zinc had abandoned its move to raise the U.S. domestic zinc price by 2 cents to 41 cents a pound.

Rise in egg prices soon

By Our Commodities Staff

EGGS WILL be dearer in the shops next week following the announcement of increased wholesale prices by Britain's two leading marketing companies. Large eggs will go up by 2p a dozen, standard by 3p and medium by 4p.

A spokesman for the Goldenlay consortium said the rise was due to a firmer market tone throughout Europe generally. Recent depressed U.K. market conditions were partly due to the import of eggs surplus to Continental requirements. So the firming influence of improved U.K. demand has been aided by the partial drying up of this source of extra supplies which U.K. producers always resented.

Better European demand had been particularly noticeable in Germany and France during the past month, a J. B. Eastwood spokesman said last night. U.K. suppliers had tended to lag behind other European producers in raising prices, he claimed.

FARM POLICY REFORM

Opting out when it suits Britain

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

THE FIRST task of the Nuffield Foundation's new centre for agricultural strategy, launched this week, should be to take a realistic look at the possible reforms of the Common Agricultural Policy from Britain's point of view. The professed aim of the centre is to advise those willing to be advised. (These, I take it, include the Government) of what policy should be with regard to self-sufficiency, land use, balance of farming, and almost anything else that comes to mind. And just to see that the thinking does not get out of line Mr. Fred Peart, the Minister of Agriculture, has appointed a distinguished civil servant, Mr. B. Hayes, deputy under secretary, to the advisory committee.

This may be doing the Minister an injustice. It could be that Mr. Hayes has been deputed to see if he can garner some elements of a coherent policy, to try to fill the vacuum left by the abandonment of the cheap food policy, and its replacement by the Common Agricultural Policy. Indeed, if this and previous governments had been logical in their acceptance of EEC rules, there should be no need for a separate British farm policy at all. Everything would be decided in Brussels.

Cheap food

This is a principle which neither the Government nor the National Farmers Union will accept. The Government, as its most recent views on the reform package indicate, wishes to retain access for some traditional suppliers of food, lower prices for consumers, and on its own regime for beef—in fact a partial return to a cheap food policy in disguise.

The Government is fully aware now of two things. One is that prices of basic foods will have to rise substantially by January 1, 1978, when Britain becomes a full member of the EEC, and the subsidising effects of the accession and monetary compensatory payments, to say nothing of the over valuation of the "Green £," are removed.

It also knows by now that if the subsidisation of imports from the rest of the Community, which are affected by these measures, are left out of account, world market prices for all temperate foods are generally cheaper than the levels at present *set in the EEC. In the case of* milk products and meat, world prices are enormously cheaper. Its this that has probably sent Mrs. Shirley Williams hot foot to Luxembourg.

Farmers, who had been looking foward to entry into Europe with an enthusiasm worthy of several better causes, have had a rude shock too. For some years *politicians* had been encouraging them with talk of a bonanza that the efficient large-scale British *farmer* would have, once he could get European prices and out-compete his smaller-scale European colleague. They have been bitterly disillusioned by talk from Brussels that in the current milk surplus situation, there is no individual national surplus. It must be shared out between all producers.

This concept of structural efficiency, as the advantage of scale is termed, is in any case illusory particularly in livestock farming. Its the number of cows, hens and sows overall which count, not the number of farmers. If ten part-time farmers in Germany or Holland are content to milk ten cows each, their impact on supplies is exactly the same as a hundred cows milked by one man in Britain.

Farmers were also encouraged by talk of the need to produce more in Britain to save imports. This was the theme of the recent White Paper "Food from our own Resources." But imports from whom? Our main previous suppliers—particularly Australia and New Zealand—have already been cruelly affected by the Common External Tariff and other barriers to imports.

Surplus sales

This leaves imports from the Community which are growing fast. If attempts to replace from home production are made it will only add to the overall Community surplus which will have to be sold to the Russians, the Egyptians or others with the aid of massive subsidies.

This prospect is anathema politically to Mrs. Williams as she underlined in a speech last week, and she probably reflected Government thinking on the subject. It would not be too fanciful to depict a scenario in which the Government realised the strength of its position as the only market for the increasing Community surpluses of livestock products and grain, and used this strength to ensure a continuing policy of opting out of the mainstream of the Common Agricultural Policy where that suited the circumstances of the day.

The NFU would not like this. But it would at least make farming policy the responsibility of the British Government instead, as at present, of an indescribable confusion between London and Brussels.

Way to boost dairy income by £40m.

By Richard Mooney

BRITAIN'S DAIRY farmers could increase their income by over £40m. a year by the effective control of mastitis, according to the results of a recent long-term experiment, it was claimed yesterday.

Somerset farmers taking part in a three-year control programme organised by Beecham Animal Health, part of the Beecham Group, found that on average milk production increased by 75 gallons per cow. The incidence of clinical mastitis—a bacterial infection of the udder—was reduced by an average of 14.6 per cent. among the 13,000 cows involved. The farmers are also said to have benefited from an improvement in milk quality which earned them an extra £2.70 per 1,000 gallons.

Beecham said that by the end of the experiment annual returns had been improved by £33 per cow without taking account of any additional feed costs.

Moves soon to curb elm disease spread

MORE THAN a quarter of all the elm trees in the South of England have been killed by Dutch Elm disease, and there is evidence it *has* spread to the North, the Forestry Commission reported yesterday. As a result, new measures to control the disease are to be announced in Parliament within the next few days.

A survey of severely affected areas south of a line from Chester to the Wash showed that 1.9m. non-woodland trees were infected during this year. Adding an allowance for trees in woodlands, the estimated number of dead and dying trees in the area has risen from 3.7m. trees in 1974 to 5.6m. this year.

"This means that out of an original population of 23m. elms in the survey area, some 6.5m. have been killed since the aggressive strain struck in the late 1960s," the commission said.

"There is also evidence that the aggressive strain of the disease has spread in the north, the most northerly concerned case being an isolated one found in Glasgow in September.

The commission said the warm, dry summer had undoubtedly helped the spread of the disease. There were now five counties—Berks, Bucks, Hants, Kent and Warwicks—with more than 200,000 dying and dead non-woodland elms.

Three counties — Essex, Gloucestershire and Wiltshire—had more than 300,000. Surrey had more than 400,000 and Somerset more than 500,000. The disease is still affecting only a small proportion of trees in East Anglia and is low in East Sussex. By contrast, West Sussex has the highest percentage of dying and dead trees at 85 per cent., followed by Gloucestershire (77 per cent.) and Surrey (76 per cent.).

The commission said the disease was much more severe in English elm than other types.

Forecast of world rubber stocks fall

JAKARTA, Oct. 30.

A FORECAST that world natural rubber production will rise to an estimated 3.5m. tonnes in 1976 from 3.25m. this year was given here at the International Rubber Study Group's annual meeting.

The group also predicts a rise in natural rubber consumption to 3.65m. tonnes next year from 3.475m. for 1975.

The figures show a continuing shortfall in natural rubber supplies compared with demand, requiring a draw-down of world stocks of 225,000 tonnes this year and 150,000 tonnes in 1976. But these forecasts are based on the assumption that natural rubber prices will remain at a low level.

Estimates of total rubber output and demand (including synthetic rubber) show a production increase to 10.75m. tonnes for 1976 from 9.75m. this year, and a consumption rise to 11m. tonnes (10.15m.).

Manufacture of synthetic rubber would rise to 7.25m. (6.50m.) while consumption would rise to 7.35m. (6.675m.) requiring a cut in world synthetic rubber stocks of 175,000 tonnes this year and 100,000 tonnes in 1976.

Meanwhile, delegates from the Association of Natural Rubber Producing Countries reaffirmed their determination to achieve a price stabilisation agreement following the agreement in principle last May.

Producer delegates reported consumer country representatives at the closed-door meeting raised no objection to the stabilisation plan, which would create a buffer stock of up to 100,000 tonnes initially.

The next round of stockpile talks will be held in Bangkok later this year. Reuter

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER—Moved higher in a nervous market on the London Metal Exchange. Vague rumours, which included talk of an improvement in the Zambian transport problems, maintained opening prices at Wednesday's final firm levels. They subsequently softened on a lack of follow-through coupled with a lower opening on Comex, but some influential buying was also seen and the closing tone was steady enough. Turnover, 16,875 tonnes.

Amalgamated Metal Corporation reported that in the morning cash wirebars traded at £570.5, 70, three months £594, 93.5, 93, 92, 92.5, 92, 91, 90.5, 91, 91.5. Cathodes: cash £557.5, three months untraded. Kerbs: Bars: cash £570, three months £591.5, 92. Cathodes untraded. Afternoon: Wirebars: cash £568, three months £591, 90, 88, 89, 89.5, 89, 88.5, 88, 87, 88, 88.5, 89. Cathodes: cash £553.5, 52.5, three months untraded. Kerbs: Bars: three months £586, 88.5, 89. Cathodes untraded.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Wirebars				
Cash	569.5-70	+18.5	567-.5	+5
3 months	591.5-2	+19.5	588.5-9	+5.25
Settlem't	570	+18.5	—	......
Cathodes				
Cash	557-7.5	+11	562-.5	+2.75
3 months	578.5-9	+11	573-4	+5
Settlem't	557.5	+11	—	......
U.S. Smt.	—	......	*63-63.7	......

TIN—Prices rallied during the afternoon dealings following a very large buying order for cash metal which was thought to have been on behalf of the buffer stock. Previously the market had fallen in sympathy with the East.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grade	£	£	£	£
Cash	3032-4	-25	3022-5	+1.5
3 months	3042-3	-21.5	3051-2	-7
S'ment	3004	-25	—	......
Standard				
Cash	3002-4	-26	3022-5	+1.5
3 months	3042-3	-21.5	3051-2	-7
S'ment	3004	-25	—	......
Straits E	‡$936	-6½	—	......
New York	—		*303.00	-5

Standard cash having traded down to £3,000. Turnover 1,825 tonnes.

Standard: Cash £3,010, 005, 3,000, 002, 003, three months £3,050, 45, 40, 35, 40, 43. High Grade: Untraded. Kerbs: Standard: Cash £3,002, three months £3,040, 38. High Grade: untraded. Afternoon: Standard: Cash £3,005, 008, 011, 012, £3,025, 20, 23, 20, 25. Three months £3,040, 45, 51. High Grade: Untraded. Kerbs: Standard: Three months £3,050. High Grade: untraded.

LEAD—Fractionally lower on balance after having opened higher. Hedge selling took prices lower in a thin market, sentiment being also affected by the reaction in copper prices from their highest levels. Turnover 9,925 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	164-5.5	+1.5	162-3	-.75
3 months	172.75-3	+2⅛	170-.5	-.825
S'ment	165	+1.5	—	......
N.Y. Spot	—	......	19-22½	......

Morning: Cash £164.5, three months £173, 72, 72.5, 72.75. Kerbs: Three months £172.5, 72. Afternoon: Cash untraded, three months £172.5, 71.75, 71, 70. Kerbs: Three months £171, 71.25.

ZINC—Prices retreated in the absence of any producer support in the face of the impact on sentiment of New Jersey Zinc's withdrawal of its recent price increase. Turnover 12,975 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	347.5-8	-2.5	343.5-4.5	-3
3 months	356-.5	-1	354.5-5	-4
S'ment	348	-2.5	—	......
Prim. West	—	......	*[illegible]	......

Morning: Cash £352, 51, 49, 48, three months £360, 59.5, 59, 58.5, 58, 57.5, 56.5. Kerbs: Three months £356.5. Afternoon: Cash untraded, three months £356, 56.5, 55, 54.5. Kerbs: Three months £355, 55.5, 56.

* Cents per pound. † On previous unofficial close. ‡ $M per picul.

SILVER

Silver was fixed 1.05p an ounce higher for spot delivery in the London bullion market yesterday, at 204.5p. U.S. cent equivalents of the fixing levels were: spot 423.9c, up 3.5c; three-month 432.2c, up 3.9c; six-month 440.0c, up 4.1c; and 12-month 458.4c, up 3.8c. The metal began at 203½p-204½p (421c-423½c) and in quiet dealings closed at 203½p-204½p (422c-424½c).

SILVER per troy oz.	Bullion fixing prices	+ or —	L.M.E. close	+ or —
Spot	204.5p	+1.05	202.65p	-1.75
3 months	211.0p	+1.0	209.7p	-1.55
6 months	217p	+1.0	—	
7 months	—	......	218.5p	-2.25
12 months	230.7p	+1.0		

LME—Turnover 156 (192) lots of 10,000 ozs. Morning: Cash 204.5; three months 211.0, 11.2, 11.3. Kerb: Three months 211.5, 11.6, 11.7, 11.8, 12.0, 11.9. Afternoon: Three month 210.3, 10.4, 10.3, 10.5, 10.6, 10.5, 10.3, 10.5, 10.0, 9.6, 9.2, 9.3. Kerb: Late-Jan. 208.4; three months 209.4, 9.3, 9.4.

COCOA

Values traded below a narrow range in quiet conditions. December, 1975, held steady at the close to finish £7 up on the day, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
No 4 Contract			
December	631.5-2.0	+7.0	675.0-32.0
March	642.5-3.0	+1.0	640.0-46.0
May	626.5-7.0	......	624.0-28.0
July	613.5-4.5	+0.5	612.0-15.0
September	608.0-12.0	......	—
December	597.0-7.5	+0.5	595.0-600.0
March	595.0-4.0	-2.0	594.0-95.0

Sales: 939 (2,737) lots of 10 tonnes.

International Cocoa Agreement prices: Daily 58.72 (58.24) U.S. cents per pound: indicator 15-day average 57.57 (57.27): 22-day average 56.38 (56.15).

FREIGHTS

DRY CARGO—There was no expansion in the volume of grain chartering but some brokers expected a slight improvement in rate levels owing to a temporary shortage of small bulk carriers in early positions. Grain shippers covered cargoes from Philadelphia to the Netherlands at $5.75 f.i.o. for Nov. and from the Mississippi to Poland at $9.50 free discharge for Nov.-Dec. Grain was also covered from the U.S. Gulf to Greece at $12.50 f.i.o. for Nov. Elsewhere, a maize cargo was arranged from Mombasa to East Coast Mexico at $15.50 f.i.o. for Nov. Australian wheat shippers fixed a cargo from Eastern States to Basrah at $38.40 free discharge for Nov. *Miscellaneous* chartering included phosphate from Tampa to Chittagong or Ghana at $32.68 gross terms for Nov. and at $25.68 gross for Nov.-Dec. In Sugar section a cargo was arranged from Queensland to St. John at $12 free discharge for Nov.

OIL TANKERS—Very quiet with few fixtures of importance and none from the Persian Gulf. Both inquiry and fixtures were at a low ebb. Petrofina took an 80,000-tonner from E. Mediterranean to U.K.-Continent early loading, at Worldscale 48.

COFFEE

Robustas moved lower after opening very quiet under selling from one quarter which found the market rather thin and touched off a few stop-loss orders. Futures again came under pressure from long liquidation in the afternoon but buying and covering interest increased as the market neared the lower end of the recent trading range restricting the decline.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
November	732.5-33.0	-9.25	751.0-36.0
January	735.0-36.0	-9.5	738.0-46.0
March	734.5-35.0	-9.5	735.0-43.0
May	734.0-34.5	-10.0	734.0-42.0
July	739.0-40.0	-7.0	753.0-46.5
Sept	741.0-42.0	-7.5	741.0-45.0
November	741.0-43.0	-6.5	744.0-47.0

Sales: 645 (664) lots of 5 tonnes.

Latest published ICO indicator prices, U.S. cents a pound. Colombian Mild Arabicas 89.25 (89.00). Other Mild Arabicas 80.50 (80.25). Unwashed Arabicas Santos Fours 96.50 (same). Robustas 71.75 (same) Daily average 84.04 (83.96).

ARABICA CONTRACT (In order buyer, seller, business, sales)—Oct. 89.00-91.50; nil; *nil*. Dec. 91.20-91.40; nil; nil. Feb. 89.90-90.00; 90.40-90.90; 3. April 90.00-90.20; 90.30-90.40; 8. June 90.20-90.50; nil; nil. Aug. 90.50-91.80; nil; nil. Oct. 90.50-91.20; 91.50; 5. Total sales, 16 lots.

RUBBER

ABOUT UNCHANGED opening on the London physical market. Quiet throughout day, closing easier. Lewis and Peat reported a godown price of 134 Malaysian cents (buyer, November).

No. 1 R.S.S.	Yesterday's close	Previous day's close	Business done
Dec	53.50-54.15	54.15-54.50	54.20-54.15
Jan.	53.85-54.45	54.60-54.70	—
Jan.-Mr.	54.50-54.55	54.65-54.70	54.50-54.55
Ap-Jun	55.40-55.45	55.60-55.65	55.60-55.45
Jy-Sept	56.45-56.50	56.60-56.65	56.60-56.55
Oct-Dec	57.60-57.70	57.90-57.95	58.00-57.65
Jan-Mr.	58.90-58.95	59.05-59.10	58.90-58.85
Ap-Jun	59.95-59.98	60.00-60.20	59.96
Jly-S'pt	60.75-61.00	60.85-61.10	—

Sales: 168 (172) lots of 15 tons.

Physical closing prices (buyers) were Spot 32.5p (same), Dec. 30.0p (30.15p); Jan. 30.75p (31.0p).

SOYABEAN MEAL

	Yesterd'ys Close	+ or —	Business Done
	£ per tonne		
December	85.5-85.7	+1.15	85.6-84.8
February	85.5-85.7	+0.5	85.9-85.4
April	86.7-86.8	+0.7	86.9-86.5
June	87.5-87.8	+0.55	87.6
August	88.6-88.9	+0.55	—
October	89.6-90.0	+0.5	—

Sales: 55 (72) lots of 100 tonnes.

GRAINS

THE BALTIC—Subdued trading conditions were evident in all sections of the imported grain markets with buyers showing little interest at generally unchanged offering levels.

Wheat: U.S. Dark Northern Spring No. 2 14 per cent. Jan. £106.00, Feb. £106.65 sellers direct Tilbury. Nov. £101.55, Dec. £102.60 quoted transhipment East Coast. EEC Feed Oct. £65.25 transhipment East Coast.

Maize: No. 3 Yellow American French Oct. £64.00, Nov. £65.00 transhipment East Coast. South African Yellow Nov. £71.50, Dec. £73.00 nominal sellers Glasgow.

Barley: EEC feed Nov. £69.60 transhipment East Coast.

MARK LANE—Business to the London area remained quiet. Average sellers quotations per long ton for delivery London area: Wheat—Hagberg Nov. £67, Dec. £68; Denatureable Nov. £66, Dec. £68.50. Barley—Feed unquoted.

LONDON GRAIN FUTURES MARKET (GAFTA)—Wheat, quietly steady. Close: Nov. 63.55, Jan. 64.90, March 66.30, May 67.95, Sept. 68.95. Business: Nov. 63.55-63.40, Jan. 65.05-64.80, March 66.50-66.40, May 68.20-67.95, Sept. 67.20-67.80. Barley, quietly steady. Close: Nov. 61.65, Jan. 63.90, March 65.65, May 66.95, Sept. 65.25. Business: Nov. 61.75, Jan. 64.00-63.75, March 65.70-65.60, May 67.05-66.90.

HGCA—Location ex-farm spot prices: Soft milling wheat—South Lincoln £63.50. Feed barley—South Lincoln £61.30, Wiltshire £60.90.

The U.K. monetary coefficient for all cereals except common wheat for the week beginning November 3 (based on HGCA calculations) will decrease to 1.664.

EEC DAILY IMPORT LEVIES—The following EEC levies and premiums are effective for Oct. 31. In Units of Account per tonne. (In order, current levy plus Nov., Dec. and Jan. premiums, with previous in brackets). Common wheat—21.60, nil, nil, nil (22.34, nil, nil, nil). Durum wheat—81.78, nil, nil, nil (31.78, nil, nil, nil). Rye—28.88, nil, nil, nil (30.48, nil, nil, nil). Barley—5.70, nil, nil, nil (5.70, nil, nil, nil). Oats—22.23, nil, nil, nil (23.18, nil, nil, nil). Maize—(other than hybrid for seeing)—25.26 nil, nil, nil (27.09, 2.37, 2.37, 0.59). Buckwheat—Nil, nil, nil, 1.8 (nil, nil, nil, 1.18). Millet—17.79 nil, nil, nil (17.79, nil, nil, nil). Grain sorghum—27.45, nil, nil, nil (27.45, nil, nil, nil).

Levies are also effective for Oct. 31 for the following flours (with previous in brackets), in Units of Account per tonne. Wheat or Mixed Wheat and Rye Flour—49.39 (50.30). Rye Flour—59.47 (61.68).

SUGAR

LONDON DAILY PRICE (raw sugar) £168.00 (£168.00) a ton c.i.f. for Nov.-Dec. shipment. White sugar daily price was fixed at £180 (same).

Opening trades were some 50 points below kerb levels and thereafter values held steady in quiet conditions, reports C. Czarnikow. Later, weaker New York advices caused prices to ease another 100 points and the market closed at the lows of the day.

Sugar Pref. Comm. Con.	Yesterday's Close	Previous Day's Close	Business Done
	£ per ton		
Dec.	168.05-68.25	170.05-70.25	170.50-67.75
March	165.80-65.75	167.70-67.75	168.25-65.50
May	164.35-64.50	166.25-66.50	166.50-64.35
Aug.	163.00-63.40	164.85-65.25	165.25-63.00
Oct.	162.50-62.75	164.50-64.50	164.50-62.50
Dec.	161.50-62.00	162.75-63.25	162.25-62.00
March	160.75-62.00	162.50-63.00	—

Sales: 1,947 (2,238) lots of 50 tonnes.

Tate and Lyle ex-refinery price for granulated basis white sugar was £213.20 (same) a long ton for home trade and £251 (£253) a long ton for export.

EEC IMPORT LEVIES—The following EEC import levies for white and raw sugar in units of account per 100 kilos (previous in brackets) are effective to-day. White sugar a (denatured and non-denatured) 5.02 (same). Raw sugar 4.33 (4.01).

WOOL FUTURES

LONDON—The market was dull and featureless, reports Bache.

(Pence per kilo)

Australian Greasy wool	Yesterd'ys close	+ or —	Business Done
October	154.0-56.0	-0.5	—
December	161.0-64.0	-0.5	—
March	167.0-71.0	-0.25	—
May	170.0-74.0	+0.5	—
July	174.5-75.5	+0.25	—
October	182.5-85.5	-0.5	—
December	186.0-87.0	+0.15	—
March	187.5-89.0	-0.25	—

Sales: 0 (0) lots of 1,500 kilos.

SYDNEY GREASY (In order buyer, seller, business, sales)—Dec. 245.0-248.8; 248.3-49.0; 38. March 259.2-259.5; 258.4-59.1; 41. May 266.1-266.2; 264.7-66.3; 51. July 269.8-270.0; 268.8-70.0; 112. Oct. 273.8-274.5; 272.8-74.0; 37. Dec. 277.8-277.3; 276.0-77.0; 58. March 278.8-279.0; 278.0-79.0; 39. Total sales, 376 lots.

BRADFORD—Most topmakers have kept prices moving higher at least in line with raw wool price increases, and are trying to close the gap between realisable prices and replacement costs. There has been positive inquiry for tops which encouraged a firmer attitude, with more export interest this week.

JUTE

DUNDEE—Quiet. Prices c. and f. U.K. for Nov.-Dec. shipment: BWB £195, BWC £188, BWD £181. Tossa: BTB £197, BTC £190, BTD £183. Calcutta goods steady. Quotations c. and f. U.K. for Nov. shipment: 10-ozs 40-inch £6.82, 7½-ozs £5.19 per 100 yards; Dec. £6.96 and £5.34; Jan.-March £7.16 and £5.46. "B" twills £21.82, £21.87 and £21.96 for the respective shipment periods. Little demand for yarns and cloths.

LONDON—Quiet. Bangladesh White "C" grade Oct.-Nov. £195. Bangladesh White "D" grade Oct.-Nov. £168 per long ton.

CALCUTTA—Steady. Indian Oct.-Dec. Rs.430.00. Dundee Daisee Oct.-Dec. Rs. 422.50. A bale of 400 lbs.

MEAT/VEGETABLES

SMITHFIELD (prices in pence per lb)—Beef: Scotch killed sides 31.0 to 34.0; English hind qtrs. (heavy) 36.0 to 38.0; Eire hind qtrs. 36.0 to 38.0, Fore qtrs. 25.0 to 27.0.

Veal: English fats 42.0 to 49.0, Fats (high quality) 51.0, Beats 16.0 to 17.0, Bobbies 14.0 to 17.50 Scotch bobbies 14.0 to 15.0; Dutch hinds and ends 72.0 to 78.0. Hinds and ends (high quality) 80.0.

Lamb: English smalls 29.0 to 35.0, Smalls (high quality) 36.0, Medium 30.0 to 33.0, Heavy 28.0 to 30.0; Scotch medium 30.0 to 32.0, Heavy 28.0 to 31.0, Heavy (high quality) 33.0. Hill 26.0 to 33.0, Hill (high quality) 34.0. Imported frozen NZ D's 31.0 to 31.5, 2's 29.0 to 29.5, 8's 27.0 to 27.5, YLs 27.5 to 29.0.

Pork: English, under 100 lbs 30.0 to 39.0, 100-120 lbs 31.0 to 38.0, 120-160 lbs 31.0 to 37.5, 160-180 lbs 29.5 to 34.0, 180 lbs and over 28.0 to 31.0.

MEAT COMMISSION—Average fatstock prices at representative markets on October 30. U.K.—Cattle £20.15 per live cwt (+0.76); Sheep 36.4p per lb. e.d.c.w. (+1.8); Pigs £5.03 per sc.l.w. (−0.10). England and Wales—Cattle numbers up 3.8 per cent., average price £20.56 (+0.73); *Sheep numbers down 8.4 per cent., average* price 36.8p (+2.1); Pig numbers up 13.1 per cent., average price £5.03 (−0.10). Scotland—Cattle numbers down 7.8 per cent., average price £20.14 (+0.73); Sheep numbers up 34.9 per cent., average price 34.6p (+0.6); Pigs nil.

COVENT GARDEN (prices in sterling)—Imported produce: Oranges—South African: 2.85-3.75; Brazilian: ½-boxes 1.90; Spanish: 3.50-3.80. Grapefruit—Cuban: 2.00; Dominican: 2.10-2.60; Cypriot: 3.00-3.40; Belize: 2.00-2.10; Florida: Ruby 4.00; Jamaican: 2.20-2.40; Jaffa: 3.10-3.80. Satsumas—Spanish: Per tray 1.80-2.70. Lemons—Italian: 5.00-5.50; South African: 5.00-6.00; Cypriot: 10 kilos 4.00-4.40, 16 kilos 5.00-6.00; Greek: 5.00-5.50. Apples—French: Per 20 lbs Golden Delicious 72/84 1.30-1.70, per 28 lbs jumble 1.90, per 20 lbs Starkings 1.30-1.50, Starkrimson 1.50, per case Granny Smith 135/180 4.20; Hungarian: Per 44 lbs Starkings 3.60, ½-boxes Granny Smiths 72/84 2.00-2.20. Bananas—Per 28 lbs Windward Islands: 2.70; Jamaican: 2.60-2.70. Pears—Italian: Per pound Williams 0.11-0.12. Grapes—Belgian: Per pound 0.50-0.60; Spanish: Per 11 lbs Almeria 0.95-1.30, Black 0.85-1.10. Melons—Spanish: Yellow 2.80-2.20, green 1.50-1.80. Dates—Californian: Per carton 0.16½; Iraqi: Per packet 0.08; Algerian: 0.25-0.27. Pomegranates—Spanish: Per 40/70 1.00-1.60. Tomatoes—Jersey: 1.00; Spanish: 1.20-1.70; Romanian: 1.00-1.10. Onions—Spanish: 4/5 4.00; Polish: 2.30; Dutch: 2.80. Cucumbers—Canary: 1.70-2.00. Cauliflowers—Jersey: Per 24 2.00. Almonds—Cypriot: Per pound Semi Soft 0.23-0.24. Brazil nuts—LWM per pound 0.18-0.20. Chestnuts—Italian: 3.00-3.40; French: 1.60-1.80. Walnuts—French: Per packet approx. 10 lbs 2.70-3.30; Chinese: Per pound 0.28; Californian: Per pound 0.27. Cranberries—U.S. Per 6 ozs 18 2.16, 18 ozs 24 5.04. Figs—Turkish: Per oz 0.11.

English produce: Lettuce—Per 12 round 0.50-0.60. Potatoes—Per 56 lbs White 2.60, Edward 2.50. Cabbages—Per bag Primo 0.80. Cauliflowers—Per 12 0.80-1.00. Mushrooms—Per pound 0.30. Apples—Per pound Cox's Orange Pippin 0.05-0.09, Russets 0.06-0.08, Laxton's 0.06-0.07, Bramley's 0.06-0.08, Derbys 0.05, Worcester Pearmain 0.05-0.07. Celery—Per 12 0.60, pre-packed 20/25 1.60-1.80. Sprouts—Per 28 lbs 1.40-2.20. Beetroot—Per 12 lbs 0.70. Onions—Per 56 lbs 2.70, Picklers 56 lbs 2.40. Parsnips—Per 28 lbs 0.80. Swedes—Per 28 lbs Devon 0.60-0.70. Carrots—Per 28 lbs 0.60-0.70. Pears—Per pound Conference 0.08-0.09, Comice 0.11-0.12.

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COTTON—Liverpool—Spot and shipment sales amounted to 391 tonnes bringing the total for the week to 1,955 tonnes, reports F. W. Tattersall. Renewed pressure for supplies brought additional operations in Middle Eastern and African qualities, while American varieties were in better demand.

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COPRA—Philippines: Oct., Nov. and Dec. $195 per tonne resellers c.i.f. North European Ports.

PRICE CHANGES

Prices per ton unless otherwise stated.

	Oct. 30 1975	+ or —	Month ago
Metals			
Aluminium (w)	£396	......	£396
Free Market cif	£310-325	-2.5	£330-340
Copper†			
Cash Wire Bars (w)	£567.25	+5.0	£587
3 months do. do. (w)	£588.75	+5.25	£610.25
Cash Cathode (w)	£552.25	+2.75	£573.75
3 months do. (w)	£573.5	+3.0	£595.75
Gold Troy oz.	$143.75	+0.75	$145
Lead Cash (w)	£162.5	-0.75	£172
3 months (w)	£170.25	-0.81	£180.625
Nickel (w)	£2,547.8	......	£2,347.8
Free market cif (lb)	$1.81-1.9	......	$1.8-1.95
Platinum(b) troy oz.	£76½-81½	......	£84-89
Free Market	£69.4	+0.5	£74.5
Quicksilver (76lb) (w)	$80-94	......	$105-108
Silver Troy oz.	204.5p	+1.05	221.6p
3 months	211p	+1	227.8p
Tin Cash (w) §	£3,023.5	+1.5	£3,116.5
3 months (w)	£3,051.5	-7.0	£3,184
Wolfram 22.04lb. cif	$40-42.0	......	$42-43.5
Zinc Cash (w) §	£344	-6.0	£337.25
3 months (w)	£364.75	-4.0	£352.25
Producers (w)	£390	......	£360
Oils			
Coconut Malayan	‡	......	‡
Groundnut			
%	£440	......	£437
Linseed Crude (w)	£400	......	£435
Palm Malayan (a)	£190	......	£197
Soyabean (u)	‡	......	‡
Seeds			
Copra Philipp ton	$195	......	$225
Gr'nuts Nigerian	‡	......	‡
Linseed Can No. 1	£157	......	£174.5
Grains			
Barley EEC	£59	......	£64
Home Futures	£61.65	+0.05	£64.1
Maize			
French No. 3 Am.	£64	......	£67.5
S.A. Yellow	£71.5	......	‡
Wheat			
No. 1 Red Spring	‡	......	‡
No. 2 Hard Winter	‡	......	‡
Australian (f.a.q.)	‡	......	‡
English Milling	£67	+1.0	£57
Cocoa Shipment (w)	£696	+14.0	£652
futures March	£642.75	+1.25	£604.5
Coffee Shipment (c)	‡	......	72.5
futures Jan. (u)	£735.5	-9.5	£721.5
Cotton 'A' Index cent	55.65	+0.05	55.3
Jute LJABWC (d)	£195	......	£195
Rubber kilo	32.5p	......	32.5p
Sisal EA3L (u)	$600	......	$600
Sugar (Raw)	£166	-2.0	£160
Wooltops 64s kilo	202p	......	190p
Cloves (Madagascar)	£2,600	......	£2,400
Pepper White ton	£940	......	£920
Black ton	£735	......	£710

* Nominal. † Seller. § Unofficial close. ♣ Indicative price. b U.K. and Commonwealth refined. c Uganda Robusta standard grade indicative prices f.o.b. Mombasa U.S. cents a pound. d Bangladesh white "C." ‡ Unquoted. a Seller's quotation. h Nov. u Metric tons. r September. v Aug.-Oct. z Nov. w Nov.-Jan.

FINANCIAL TIMES

Oct. 30	Oct. 29	Month ago	Year ago
172.51	171.91	175.55	196.02

(Base: July 1, 1952=100)

REUTER'S

Oct. 30	Oct. 29	Month ago	Year ago
1147.2	1145.6	1163.0	1240.9

(Base: Sept. 18, 1931=100)

DOW JONES

Dow Jones	Oct. 30	Oct. 29	Month Ago	Year ago
Spot	300.41	300.07	309.32	415.84
Futures	282.00	281.59	290.15	401.75

(Average 1924-25-26=100)

MOODY'S

Moody's	Oct. 30	Oct. 29	Month ago	Year ago
Staple Comm'ty	759.7	758.5	815.4	887.4

(Dec. 31, 1931=100)

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GRIMSBY FISH—Supply moderate and demand good. Prices per stone at ship's side (unprocessed)—Shelf cod £2.20-£3.20, Codlings £2.00-£2.40, Large haddock £2.60-£2.80, Medium haddock £2.40-£2.60, Small haddock £2.00, Large plaice £3.20, Medium plaice £3.80, Best small plaice £2.40, Skinned d[illegible], Lemon so[illegible], Reds £1.2[illegible]

U.S. Markets

Grains rise: sugar and cocoa ease

NEW YORK, Oct. 30.

PRECIOUS METAL futures finished lower in lack-lustre trading highlighted by light speculative liquidation. At the same time, cocoa, coffee and sugar eased under the weight of trade hedge selling. By contrast, steady commercial buying raised grain futures and soyabeans, while Commission House short-covering lifted copper once again, Bache reports.

Cocoa—Ghana spot unquoted. Bahia spot 64. Dec. 61.30 (61.55), March 57.30 (57.50), May 54.85, July 53.15, Sept. 52.15, Dec. 50.65, March unquoted. Sales: 681.

Coffee—Spot Santos No. 4 unquoted (same). Colombian Mams unquoted (same). "C" Contract Nov. 79.70-80.20 (80.10-80.50), Dec. 80.90 (81.19), March 80.30, May 80.50-80.70, July 81.20-81.40, Sept. 82.00-82.40. Sales: 187 lots.

Copper—Oct. 55.20 (54.60), Nov. 55.70 (55.10), Dec. 56.30, Jan. 57.40 settlements. Sales: 2,680 lots.

Cotton—Dec. 52.40-52.42 (52.66-52.75), March 53.80 (54.02), May 54.62-54.66, July *55.05-55.10, Oct. 55.05-55.10, Dec. 55.10*-55.15, March 55.36-55.45. Sales: 1,000.

ΦGold—Nov. 143.10 (143.60), Dec. 143.60 (144.10), Jan. 144.40, Feb. 145.20, April 147.00, June 148.80, Aug. 150.70, Oct. 152.60, Dec. 154.50, Feb. 156.30 settlements. Sales: 549 lots.

Greasewool—Spot 158.0 nom. (157.6 nom.). Dec. 155.0-165.0 (158.0-165.0), March 146.0-155.0 (150.0-156.0), May 145.0 bid. July 145.0-154.0, Oct. 145.0-150.0, Dec. 145.0-150.0. March 142.0 bid.

†Lard—Chicago loose 30.00 asked (same). NY prime steam 31½ nom. (same).

††Maize—281½-281½ (277½-277½), March 290-290½ (286½-286½), May 293½-294, July 295½-296, Sept. 290, Dec. 288, March 286½.

‡Platinum—Jan. 145.40 (145.90), April 149.00 (148.90), July 152.80, Oct. 157.90, Jan. 160.80 settlements. Sales: 70.

‡‡Silver—Spot 423.00 (424.00). Nov. 420.50 (422.40), Dec. 422.50 (425.00), Jan. 425.80, March 432.90, May 440.00, July 447.10, Sept. 454.10, Dec. 464.40, Jan. 467.70, March 474.60 settlements. Sales: 7,687 lots.

*Soyabeans—Nov. 496-497 (492½), Jan. 508-509 (504½), March 519-515, May 526½-527½, July 533, Aug. 534, Sept. 538, Nov. 539, Jan. 548-549.

*b*Soyabean Meal—Dec. 133.0-128.0 (131.90) Jan. 134.00-133.60 (132.80), March 136.00-135.50.

Soyabean Oil—Dec. 19.35-19.40 (19.05-19.10), Jan. 19.45 (19.12), March 19.55-19.58, May 19.60-19.65, July 19.75, Aug. 19.65, Sept. 18.60-18.70.

Sugar—Contract No. 11. Spot 14.00 (14.30). Jan. 14.25 nom. (14.33), March 14.21-14.23 (14.30-14.37), May 14.15-14.21, July 14.08-14.15, Sept. 14.10 nom., Oct. 14.04-14.09, March 13.97 bid. Sales: 2,579.

Tin—282.00-324.00 nom. (308.00 nom.).

**Wheat—Dec. 395-394½ (399½), March 409-409½ (404½), May 414½-414, July 410-411, Sept. 416½-416.

WINNIPEG, Oct. 30. ††Rye—Oct. 253½ (256), Dec. 259½ bid (257), May 273½, July 264½ bid.

*c*Oats—Oct. 160 (164½), Dec. 151½-152½ (155 asked), May 158, July 155 nom.

§Barley—Oct. 242 (242 bid), Dec. 234½-234½ (235½), May 234½ asked, July 234 nom.

*d*Flaxseed—Oct. 705 bid (704 bid), Nov. 798 (784½), Dec. 708, May 728 asked, July 709 bid.

Wheat—SCWRS 13.5 per cent. protein content St. Lawrence 558½ (557½).

All cents per pound ex-warehouse unless otherwise stated. * Cents per 60-lb bushel ex-warehouse. Φ$'s per troy ounce—100-ounce lots. † Chicago loose $'s per 100 lbs—Dept. of Ag. prices previous day: Prime steam f.o.b. NY bulk tank cars. ‡‡ Cents per troy ounce ex-warehouse. *b* New "B" contract in $'s a short ton for bulk lots of 100 short tons delivered f.o.b. cars Decatur and Illinois. ‡ $'s per troy ounce for 50-ounce units of 99.9 per cent. purity delivered NY. ** Cents per 60-lb bushel in store. †† Cents per 56-lb bushel ex-warehouse, 5,000 bushel lots. [illegible]

LEGAL NOTICES

No. 9 of 1975

In the HIGH COURT OF JUSTICE Chancery Division Leeds District Registry. In the Matter of ALAN FREEDMAN (EUROPE) LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 9th day of September 1975 presented to the said Court by [illegible]NDER ALARM CO. (SCOTLAND) LIMITED whose registered office is at Rosyth Road, Glasgow G5 0YA, Electronic Security Specialists, and that the said Petition is directed to be heard before the Court sitting at the County Court House, Albion Place, Leeds 1, on the 17th day of November, 1975, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing in person or by his counsel for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

DIBB, LUPTON & CO.,
6, Butts Court,
Leeds LS1 5JX.
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm, and must be signed by the person or firm, or his or their solicitor (if any) and must be served or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the [illegible]h day of November 1975.

No. 003422 of 1975

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of HALEY PARTNERS LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN that a Petition for the restoration of the above-named Company to the Register of Companies by the High Court of Justice was on the 17th day of October 1975 presented to the said Court by HALEY PARTNERS LIMITED and RONALD TUCKERMAN of 1 Broadwater Street East, Broadwater, Worthing, Sussex, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 17th day of November 1975, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing in person or by his Counsel for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

BRABY & WALLER,
2/3 Hind Court,
Fleet Street,
London EC4A 3DS.
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm, and must be signed by the person or firm, or his or their solicitor (if any) and must be served or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 14th day of November 1975.

COMPANY NOTICES

Bearer Depositary Receipts representing cumulative preferred Stock Serie K of INTERNATIONAL TELEPHONE AND TELEGRAPH CORPORATION

A distribution of $1.00 per depositary share will be made payable on and after December 8, 1975 upon presentation of the coupon No. 22 at the Office of the depositary, 23, Wall Street, New York or at the option of the presentor at Morgan Guaranty Trust Cy of New York, 35, avenue des Arts, Brussels, or, 82 Frankrijklei, Antwerp and at the Banque Générale du Luxembourg, 14, rue Aldringen, Luxembourg, at the designated rate, less applicable United States Non-Resident Alien Withholding Tax determined by the country of residence of the presentor and any other applicable tax.

ROYAL BANK OF CANADA LTD.

DIVIDEND NO 353

NOTICE IS HEREBY GIVEN that a dividend of 32 cents per share upon the paid up capital of the Bank has been declared for the current quarter and will be payable at the Bank and it's branches on or after 24th November, 1975, to shareholders of record at the close of business on 24th October, 1975.

By order of the Board.
R. C. Frazee
Chief General Manager.

Gilt-edged and equities pick up well from day's worst

Share index only 0.5 easier at 352.0, after 349.9—Golds up

Account Dealing Dates

Option

*First Dealings	Declarations	Last Dealings	Account Day
Oct. 20	Oct. 30	Oct. 31	Nov. 11
Nov. 3	Nov. 13	Nov. 14	Nov. 25
Nov. 17	Nov. 27	Nov. 28	Dec. 9

*" New time " dealings may take place from 9.30 a.m. two business days earlier.

Still a nervous and sensitive market, equities rallied from earlier easiness to close little altered on the day. Gilt-edged *also recovered from a poor start.* Sentiment in the latter sector was helped late by a U.S. Prime rate cut to 7½ per cent., which helped to reduce initial falls from ½ to ¼ at the close. The Government Securities index declined 0.21 to 57.84.

Leading equities, after showing renewed dullness on the Slater Walker situation, found sentiment soured further yesterday morning by the overnight fall on Wall Street. The downside was accentuated by the poor opening in the Gilt-edged market. In the absence of any heavy offering, however, prices gradually edged forward and the F.T. 30-share index closed a mere 0.5 down at 352.0, after having been as low as 349.9 at 11 a.m. Trading in the leaders was described as "very quiet," with official markings of 6,258 compared with 7,779 on Wednesday.

Secondary equities were also quieter and trading statements had little effect on prices. Slater Walker Securities was a better market, but many of its associated companies continued to wilt. The F.T.-Actuaries All-Share index eased 0.3 per cent. to 150.95, while falls continued to lead rises in F.T.-quoted Industrials by 3-2, the same margin as on Wednesday.

Gold mining issues put on a firm showing in sympathy with bullion. Trade here was also moderate, but with the prod of Cape demand jobbers marked prices up. The Gold Mines index rose 8.4 to 267.3, for a two-day gain of 11.6. Bullion closed 75c to the good at $143.75 an ounce.

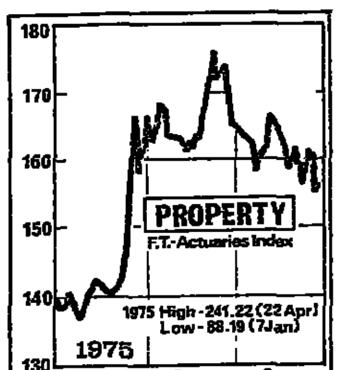
Gilts above lowest

Unsettled by further comment on the Government's massive borrowing requirement, long-dated British Funds were initially ½ and occasionally ¾ lower. To some extent this reflected a defensive *marking down by dealers,* although some stock did come on offer. Sentiment was also affected to a minor degree by the latest developments in the City of New York saga. Gradually, however, the market settled and a recovery later gained some momentum *from news of a U.S.* Prime rate cut to 7½ per cent., the first yet. Finally, the longs were only ¼ down on the day, the mediums often unchanged and the shorts generally ⅛ easier. Talk continued of a new low-coupon short "tap" stock announcement to-day.

Conditions in the investment currency market were rather sensitive and the premium responded quickly to a small demand, rising to 104 per cent. before a close of 1½ points higher on balance at 103¼ per cent. Yesterday's SE conversion factor was 0.6191 (0.6263).

Slater Walker rally

Taking the view that Slater Walker Securities have been oversold *since last Friday's resignation* statement from Mr. Jim Slater, small buyers appeared for the shares which opened around 23p and edged forward in busy trading to touch 28p before closing 4 better on balance at 27p. However, those companies associated with SWS cheapened further; Lubock Investments gave up a penny more to 14½p and the 12 per cent. Convertible lost 2½ points to £77½. Estates House receded 5 to 247p and Mr. Jimmy Goldsmith's Anglo-Continental Investment and Finance and Cavenham were also lower, the former 3 down at 33p and the latter 3 easier at 134p, *after* 133p. The big four Banks continued to trade nervously but managed to record small improvements at the close. Following the satisfactory interim results, Bank of Ireland improved 10 to 340p.



Small irregular price movements were the order of the day in Insurances. *Phoenix* receded 2 to 214p. Despite the proposed 25 per cent. scrip issue, a good market of late, Hogg Robinson, closed 2 easier at 178p. Combined Insurance Company of America lost 50 to 705p.

Narrow mixed price movements were the order of the day in Breweries and kindred trades after a small turnover. Higsons, 93p, were unmoved by the results. George G. Sandeman were unchanged at 40p; the interim figures are due to-day.

Movements of note were few and far between in Buildings. Ernest Ireland, at 23p, recouped a penny of the previous day's loss of 8 which followed the omission of the interim dividend and substantial first-half loss. BPB Industries continued firmly following Press comment on the *half-yearly report,* the Ordinary hardening a penny more to 150p and the 7¾ per cent. Convertible rising five points to £95.

In Chemicals, ICI closed a penny easier at 293p, after 290p.

Philips' Lamp rise

Philips' Lamp put on a good performance to close with a rise of 45 at 750p in response to Continental demand; the third-quarter results are expected on November 13. Other leading Electricals attracted little attention and just recovered *early* slight losses to finish barely altered on the day. Telephone Rentals ended 4 cheaper at 88p on further consideration of the half-year results. Decca "A", after hardening to a 1975 peak of 232p, came back following the annual meeting to 228p *for a net loss of* 2. George H. Scholes declined 5 to 163p and Henry Wigfall 3 to 133p, while the Japanese Sony receded 30 to 710p. Favourable Press comment failed to stimulate interest in Westinghouse Brake, which held steady at 30½p, but F. W. Thorpe, *on the profits* advance, hardened a penny to 23p.

A good two-way business in the Store leaders left prices little changed on overnight levels. Marks and Spencer hardened 2 to *101p. Debenhams, still reflecting* recent trading news, closed a penny better at 81p. Bremner were supported up to a 1975 peak of 47p, for a rise of 2. Forminster, however, reacted 4 to 70p following news that Slater Walker Securities had built up a sizeable stake in the company. News-agencies sported contrasting movements in Martin the News-agent, 4 better at 142p, after a 1975 peak of 146p, and W. H. Smith "A" which gave up 4 to 390p.

Engineerings traded fairly quietly and closed with few outstanding changes. News items stimulated interest in Sheepbridge, up 2 at 46p, and Greenbank Industrial, which improved 1½ to 34½p, but lowered Linread 1½ to 30p. Weir went ex-rights and, after allowing for the price adjustment, ended 4 higher at 67p, while the new nil-paid shares closed at 14p premium after having opened at 11½p premium. Shipbuildings weakened initially, but were rallying before news that the Government would abide by its decision to nationalise ship-repairers; Vosper finally lost ½ to *84p after 62½p and Swan Hunter* shed 1½ to 53p; the price in yesterday's issue was incorrect. Hawthorn Leslie, on the other hand, met with renewed speculative demand and rose 6 to 45p; the dividend cut and annual loss were ignored.

In Foods, Tate and Lyle eased 2 more at 231p, but Brooke Bond, still reflecting Press comment on the preliminary statement, managed to finish a penny harder at 42p, after 43½p. Avana continued firmly, rising a penny more to 15½p. G. F. Lovell contrasted with a fall of 4 to 23p. FMC made another poor showing following Press comment on the NFU proposals and closed 2 easier at 62p for a two-day loss of 5. In Supermarkets, Kwik Save Discount, as 239p, recouped *a penny of the previous day's fall* of 7 which followed the preliminary figures.

Hotels and Caterers had a modest feature in Prince of Wales Hotels which improved 7 to 62p in response to small buying in a thin market. D Vere held at 76p ahead of to-day's *interim* statement, but Ladbroke, 89p, and J. Lyons "A," 130p, lost 3 apiece.

AD Int. higher

Miscellaneous Industrial leaders moved within narrow limits in slack trading to close generally a little softer. However, Glaxo were finally 3 better at 340p, after touching extremes of 335p and 343p, while Boots, with interim results due November 13, picked up 2 to 134p. Elsewhere, AD International encountered "new-*time" buying and rose* another 4 to a high for the year of 111p, still on hopes of a new offer from Dentsply International. Wm. Press hardened a penny "after-hours" to 32½p on the rise in first-half profits, while M.Y. Dart responded to Press comment with a gain of 2 at 41p ahead of next Thursday's half-year figures. Revived support left Valor 4 higher at 40p. Courtney Pope contrasted with a loss of 4 at 40p in reflection of the profits setback. Hoover "A" receded 10 to 295p *awaiting ne*[illegible] Thursday's third-quarter result[illegible]. Gripperrods shed 4 to 62p.

News that Chrysler is conside[illegible]ing closing down its U.K. oper[illegible]tions had little effect on Moto[illegible] and Distributors which close[illegible] with fresh gains. Lucas Industri[illegible] ended 2 up at 139p, while Rol[illegible] Royce and Dunlop both closed[illegible] better at the common level of 6[illegible]. Peak Investments hardened 2 [illegible] 12p in firm Commercial Vehicl[illegible]. Of the few casualties, Lotus eas[illegible] 2 to 30p and Dowty 3 to 130p. [illegible] Garages, Pennine closed a fract[illegible] cheaper at 3p after the half-ye[illegible] report.

Newspapers eased in pla[illegible]. Thomson losing 3 to 189p [illegible]d Daily Mail "A" a similar am[illegible]t to 155p. Paper/Printings [illegible]e just as colourless, although I[illegible]e and *Brydone gained 3 mor*[illegible]to 42p; the price in yesterday's [illegible]e should have been 40p, up 10[illegible].

Berry Wiggins up

Calmer conditions prevail[illegible] in leading Properties yesterday [illegible]ter Wednesday's setback and [illegible]ces fluctuated a little to [illegible]ose narrowly mixed. Land Sec[illegible]ties finished 2 easier at 16[illegible] and MEPC a penny cheaper [illegible] 59p, after 58p, but English P[illegible]erty were finally a penny be[illegible] at 44½p, after 42½p, and Britis[illegible] Land a fraction harder at 17p. [illegible]inor irregular movements we[illegible] also the order of the day [illegible] idle secondary issues. M[illegible]ague Burton Property could m[illegible]er a gain of only a penny at [illegible]p in response to the expan[illegible] in *profits.* Peachey [illegible]perty hardened 1½ to 23½p [illegible]iting to-day's interim report. [illegible]cKay Securities improved 5 [illegible] 70p, while Centrovincial [illegible]states Capital put on 2 to 33p. [illegible] C. H. Beazer, ahead of Mond[illegible]s preliminary results, dipped [illegible] 120p. Imry reacted 5 to 18[illegible] while Investment and Propert[illegible] following the gloomy results [illegible]sed a penny to 22p.

Leading Oils fluctuated [illegible]rrowly before ending slight[illegible] easier. Business was on a scale [illegible] below the previous day's [illegible] *British* Petroleum lost only 3[illegible] 570p, while Shell eased 2 to [illegible]p; U.S. sources were neither [illegible]ers nor buyers of BP. Burma[illegible]ardened 1 late to 32p on the app[illegible]ch from R. J. Reynolds for th[illegible]urchase *of Burmah's U.S.* [illegible]*bsidiary.* Ultramar gradually los[illegible] gain of 4 to close unchanged [illegible]00p, but investment currency [illegible]fluences lifted Royal Dutch ½ t[illegible] 27¾. Ball and Collins reacted [illegible] to 113p, while Berry Wiggin[illegible]benefited *from "new-time"* [illegible] other demand to close 4½ hi[illegible] at 53½p; comment on the [illegible] proposed "rights" issue, m[illegible]ium-term financing arrangem[illegible]ts and higher profits fore[illegible] helped.

Overseas issue turned dull with Siebens (U.K.) losing 35 to 450p and Pan Ocean 20 to 655p.

Among Overseas Traders, James Finlay managed to improve 2 to 136p in response to the increased half-year profits. Sime Darby firmed 4 to 94p, but Inchcape retreated 11 to 315p.

Interest in Shippings waned considerably and prices drifted lower. P & O Deferred receded a penny *to 108p, after 106½p, while J. I.* Jacobs, 15p, gave up ½ of the previous day's speculative gain of 3½.

Trusts and Financials generally closed easier where changed.

The omission of the interim *dividend* and a sharp contraction in half-year profits left Scott and Robertson 3 off at 13p in Textiles. Courtaulds traded quietly and closed a penny lower at 140p. Leading Tobaccos remained on offer with Bats ending 4 down at 317p and Imps 1½ cheaper at 71½p.

Rubbers closed slightly firmer for choice after a small trade. Guthrie edged forward 3 to 162p. Teas were mixed with McLeod Russel good again at 140p, up 5. Tea Corporation, however, cheapened 2 to a 1975 "low" of 5p.

More gains in Golds

The continued firmness in overnight U.S. markets, coupled with the higher bullion price and investment dollar premium all helped to *lift Gold* shares.

Although business was generally quiet, Cape buying and small Continental interest caused jobbers to mark prices sharply higher. A slight reaction in the bullion price and small U.S. selling reduced *rises.*

In heavy-weights, rises ranged to 1½ in Western Deep (£18¾), with Randfontein (£19¾) and Free State Geduld (£22½) both gaining a point. Among the lower priced stocks, Doornfontein advanced 30 at 800p, after 820p, and East Driefontein were 20 higher at 940p, after 960p.

Financials reflected the strength *of Golds,* with "Amgold" rising 1 at £32¼, and Anglo-Vaal ¼ better at £12½; the latter company has forecast another satisfactory year. Following the higher profits and dividend Transvaal Consolidated Land rose ½ at £12.

Against the general trend, Selection Trust gave *up 10 at* 485p. In Coppers, Cape buying left Palabora a further 30 higher at 925p, and Messina 5 better at 275p. Continued Cape demand in a market short of stock resulted in rises of 9 in Potgietersrust (182p), Union Platinum (162p) and Waterval (162p).

Rhodesians were also firm, Coronation gaining 10 at 195p.

Australians were marked lower in line with Sydney and Melbourne markets, but recovered following the rise in the investment dollar *premium.* Pancontinental gained 15 at 650p but Western Mining lost 1 at 144p, after 141p on the uninspiring earnings outlook. Ocean Resources were 3 higher at 31p, and speculative buying lifted Metramar 5 at 22p.

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS / GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Thursday, October 30, 1975: Index No.	Day's Change %	Est. Earnings Yield % (Max.) Corp. Tax 52%	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (net) Corp. Tax 52%	Est. P/E Ratio (nil) Corp. Tax 52%	Wed. Oct. 29 Index No.	Tues. Oct. 28 Index No.	Monday Oct. 27 Index No.	Friday Oct. 24 Index No.	Year ago (approx.) Index No.	1975 High	1975 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (179)	130.23	−0.3	17.62	6.34	8.50	8.50	130.67	131.67	128.53	130.34	69.56	131.67 (22/10)	51.78 (6/1)	206.37 (4/5/72)	50.71 (13/12/74)
2	Building Materials (30)	127.01	−0.5	13.84	6.48	11.03	11.03	127.59	127.93	125.70	127.85	64.48	127.93 (23/10)	45.11 (6/1)	233.84 (2/5/72)	44.27 (11/12/74)
3	Contracting, Construction (23)	239.45	−0.4	15.84	3.90	9.49	9.49	240.38	240.54	234.48	237.57	100.19	251.61 (23/4)	74.74 (6/1)	389.53 (19/5/72)	71.48 (12/12/74)
4	Electricals (17)	229.03	+0.4	17.84	5.07	8.21	8.21	228.15	233.54	222.78	228.20	126.37	234.64 (6/6)	98.49 (2/1)	330.04 (4/5/72)	84.71 (25/6/66)
5	Engineering (Heavy) (13)	151.31	−1.9	21.57	7.84	7.07	7.07	154.17	155.40	152.95	154.27	87.96	159.79 (22/4)	64.39 (2/1)	202.57 (2/6/73)	64.39 (2/1/75)
6	Engineering (General) (63)	111.43	−0.4	19.59	7.49	7.65	7.63	111.91	112.53	110.62	111.45	62.15	117.40 (8/5)	45.43 (6/1)	168.59 (4/5/72)	46.43 (6/1/75)
7	Machine and Other Tools (9)	43.67	−0.1	18.88	9.62	9.57	9.57	43.72	44.05	43.64	43.92	26.73	48.98 (20/6)	20.11 (2/1)	136.70 (6/7/66)	19.96 (13/12/74)
8	Miscellaneous (24)	109.36	−1.0	19.56	7.20	7.62	7.62	110.94	110.32	109.30	110.22	64.46	121.76 (6/6)	49.65 (6/1)	177.41 (27/4/72)	49.65 (6/1/75)
9	CONSUMER GOODS (DURABLE) (56)	105.80	−0.3	16.56	5.84	8.89	8.88	106.09	106.56	104.54	104.92	51.06	106.56 (28/10)	38.39 (6/1)	227.78 (21/4/72)	38.59 (6/1/75)
10	Electronics, Radio TV etc. (15)	123.34	−0.6	15.15	4.35	9.87	9.85	124.11	125.20	122.04	122.48	54.95	125.20 (28/10)	44.28 (6/1)	257.41 (19/5/72)	42.86 (12/12/74)
11	Household Goods (14)	154.82	−0.5	16.00	6.76	9.16	9.13	155.66	157.79	157.22	156.60	79.93	157.79 (28/10)	64.53 (6/1)	263.22 (4/5/72)	63.92 (17/12/74)
12	Motors and Distributors (27)	57.37	+0.5	19.34	8.11	7.46	7.46	57.08	56.65	55.80	56.22	30.13	57.37 (30/10)	19.91 (6/1)	170.59 (15/1/69)	19.91 (6/1/75)
13	CONSUMER GOODS (NON-DURABLE) (168)	142.63	−0.4	14.23	5.98	10.19	10.12	143.25	145.31	142.37	144.56	76.75	146.45 (6/6)	61.98 (6/1)	226.66 (16/8/72)	61.41 (13/12/74)
14	Breweries (15)	163.89	+0.3	12.20	6.25	12.40	12.40	163.34	167.13	163.03	166.00	90.42	167.96 (22/8)	75.38 (6/1)	281.87 (28/11/72)	69.47 (13/12/74)
15	Wines and Spirits (7)	144.70	—	13.46	6.97	11.22	11.22	144.70	147.50	145.82	149.65	106.32	177.94 (9/7)	80.42 (6/1)	257.40 (13/7/72)	78.88 (13/12/74)
16	Entertainment, Catering (16)	167.31	−0.4	12.76	7.14	12.27	11.68	168.04	171.57	166.08	168.99	73.07	171.57 (28/10)	55.28 (6/1)	329.99 (12/12/72)	54.83 (9/1/75)
17	Food Manufacturing (22)	154.69	−0.7	13.70	5.21	10.06	10.02	155.77	157.19	154.73	156.89	68.47	157.19 (28/10)	52.03 (2/1)	211.65 (1/6/72)	59.77 (11/12/74)
18	Food Retailing (16)	146.87	−0.4	10.54	4.50	13.77	13.77	147.50	149.44	147.01	148.88	67.28	149.44 (28/10)	57.15 (2/1)	235.08 (16/8/72)	54.25 (11/12/74)
19	Newspapers, Publishing (15)	141.38	−0.7	15.39	6.99	9.93	9.93	142.40	142.37	139.23	140.60	78.05	152.14 (6/6)	55.08 (6/1)	250.29 (12/1/72)	55.08 (6/1/75)
20	Packaging and Paper (13)	94.21	−1.0	23.62	7.85	6.50	6.31	95.15	96.59	94.50	95.96	58.89	107.12 (20/5)	45.46 (6/1)	135.69 (26/4/72)	45.46 (6/1/75)
21	Stores (32)	122.62	−0.3	12.18	5.36	12.67	12.57	122.95	124.33	121.65	123.74	68.94	132.94 (24/10)	52.63 (6/1)	204.39 (16/2/73)	52.63 (6/1/75)
22	Textiles (23)	151.54	−1.2	22.03	7.06	5.45	5.31	153.31	155.78	151.02	153.47	79.28	155.78 (22/10)	62.91 (6/1)	253.72 (17/9/68)	62.66 (11/12/74)
23	Tobacco (3)	199.60	−0.7	16.98	6.75	8.96	8.96	201.00	204.47	201.51	203.29	128.50	204.47 (28/10)	109.92 (6/1)	339.16 (2/8/72)	94.34 (13/6/62)
24	Toys and Games (6)	61.23	+0.6	23.10	6.42	6.02	6.02	60.84	61.40	60.91	61.66	28.28	61.66 (24/10)	20.92 (6/1)	135.72 (16/1/70)	20.92 (6/1/75)
	OTHER GROUPS (93)															
25	Chemicals (24)	179.74	+0.2	15.47	5.55	9.02	9.02	179.40	181.44	178.89	181.04	93.51	189.17 (6/6)	73.14 (6/1)	201.92 (31/1/69)	71.20 (1/12/74)
26	Office Equipment (10)	85.77	−1.3	15.54	6.07	9.02	9.02	86.91	88.00	84.99	86.27	60.62	104.78 (17/4)	45.34 (2/1)	246.06 (1/3/72)	45.34 (2/1/75)
27	Shipping (12)	378.21	−0.5	20.42	6.39	6.29	6.04	379.99	380.77	373.87	379.19	254.75	401.84 (10/3)	194.38 (6/1)	517.00 (6/12/72)	90.80 (29/6/62)
28	Miscellaneous (47)	149.77	−0.3	16.54	5.86	8.93	8.93	150.28	151.58	148.64	150.56	81.75	153.58 (6/6)	60.39 (6/1)	258.83 (2/5/72)	60.39 (6/1/75)
29	INDUSTRIAL GROUP (496)	140.73	−0.3	15.63	6.05	9.28	9.24	141.19	142.78	139.86	114.79	75.98	143.43 (6/6)	69.19 (6/1)	220.17 (1/5/72)	59.01 (13/12/74)
30	OILS (4)	324.77	−0.5	15.50	4.96	7.20	6.45	326.42	333.12	332.21	329.98	145.10	333.12 (22/10)	105.83 (2/1)	431.66 (29/5/63)	87.23 (29/5/62)
31	500 SHARE INDEX	155.98	−0.4	15.61	5.87	8.87	8.64	156.54	158.53	155.75	157.37	81.87	158.53 (22/10)	63.49 (6/1)	227.95 (16/8/72)	63.49 (13/12/74)
32	FINANCIAL GROUP (100)	134.80	+0.1	—	5.34	—	—	134.63	136.74	134.96	136.09	68.86	148.45 (20/5)	56.50 (6/1)	241.41 (11/4/72)	55.88 (13/12/74)
33	Banks (6)	162.36	+0.5	18.11	4.93	8.46	8.46	161.53	164.58	161.88	162.64	77.48	177.11 (5/6)	62.56 (2/1)	288.32 (20/7/72)	62.44 (13/12/74)
34	Discount Houses (9)	156.48	−1.1	—	7.88	—	—	158.25	157.17	153.66	152.61	97.45	169.27 (7/3)	84.15 (6/1)	293.15 (2/7/72)	81.40 (10/12/74)
35	Hire Purchase (5)	99.72	+0.6	18.02	8.45	7.94	7.31	99.11	102.15	98.40	101.08	77.87	134.39 (10/3)	42.81 (6/1)	433.72 (4/5/72)	38.83 (11/12/74)
36	Insurance (Life) (9)	118.37	−0.4	—	6.76	—	—	118.84	116.87	117.51	118.87	60.02	127.97 (23/4)	44.88 (2/1)	194.46 (15/3/73)	44.88 (2/1/75)
37	Insurance (Composite) (7)	112.08	−0.1	—	6.10	—	—	112.18	112.86	111.29	112.49	51.56	123.90 (20/5)	44.47 (3/1)	155.76 (21/4/72)	43.96 (13/12/74)
38	Insurance (Brokers) (9)	225.27	−0.4	9.36	3.82	16.03	16.03	226.08	228.74	222.75	222.76	86.41	228.74 (28/10)	68.96 (7/1)	262.57 (12/12/73)	65.86 (16/12/74)
39	Merchant Banks (19)	83.85	+0.1	—	6.01	—	—	83.80	86.68	86.84	87.45	45.95	94.97 (7/5)	31.21 (7/1)	278.57 (1/5/72)	31.21 (7/1/75)
40	Property (32)	156.16	+0.5	3.63	3.75	45.72	43.43	155.40	160.67	160.09	161.67	102.68	241.22 (22/4)	88.19 (7/1)	357.40 (8/11/73)	56.01 (20/4/65)
41	Miscellaneous (4)	74.35	−1.3	12.99	8.57	11.57	11.41	75.30	75.11	74.17	74.36	43.34	75.76 (23/4)	34.78 (10/1)	303.13 (18/6/72)	33.29 (17/12/74)
42	Investment Trusts (50)	164.08	−1.1	3.02	4.36	33.16	33.14	165.87	166.04	165.71	165.32	88.28	178.53 (6/6)	73.43 (6/1)	245.79 (25/4/72)	71.63 (13/12/74)
43	ALL-SHARE INDEX (650)	150.95	−0.3	—	5.68	—	—	151.42	153.32	150.80	152.31	78.95	154.09 (6/6)	62.16 (6/1)	228.18 (1/5/72)	61.92 (13/12/74)
	COMMODITY GROUPS (*Not included in 500 or All-Share indices*)															
44	Rubbers (9)	379.42	+0.2	14.99	8.84	9.66	9.58	378.47	381.30	379.42	383.87	306.56	3525.4 (25/6)	281.66 (2/1)	555.37 (25/7/73)	84.68 (25/8/65)
45	Teas (10)	117.07	+1.6	35.01	8.92	4.11	3.97	115.26	112.53	110.77	110.85	61.68	117.07 (30/10)	76.76 (10/1)	121.47 (1/6/72)	59.72 (17/10/74)
46	Coppers (3)	274.68	+0.5	71.49	17.84	1.40	1.40	273.28	266.95	265.03	273.28	338.97	467.74 (27/5)	256.42 (24/9)	567.78 (13/7/73)	94.08 (29/4/62)
47	Mining Finance (11)	107.03	+0.1	11.08	4.75	10.23	10.23	106.87	106.71	107.97	108.38	83.60	141.34 (30/5)	80.58 (22/1)	175.90 (28/4/69)	68.31 (20/9/74)
48	Tins (8)	86.20	−0.1	12.82	10.39	10.19	9.12	86.26	85.32	86.09	86.01	61.41	114.49 (5/6)	58.91 (2/1)	125.43 (12/1/73)	54.83 (27/6/71)
49	Overseas Traders (13)	209.07	−1.2	16.67	4.72	7.67	7.67	211.65	213.45	211.30	214.25	—	252.23 (20/5)	97.37 (6/1)	252.23 (20/5/75)	97.37 (6/1/75)

	FIXED INTEREST	Thurs., Oct. 30: Index No.	Yield %	Wed. Oct. 29	Tuesday Oct. 28	Monday Oct. 27	Friday Oct. 24	Thurs. Oct. 23	Wed. Oct. 22	Tues. Oct. 21	Year ago (approx.)	1975 High	1975 Low	Since Compilation High	Since Compilation Low
1	Consols. 2½% yield	—	14.96	14.87	14.84	14.94	14.81	14.92	15.03	15.25	17.00	—	—	—	—
2	20-yr. Govt. Stocks (6)	46.42	13.96	46.66	46.80	46.84	46.84	46.56	46.33	45.98	41.72	53.09 (20/5)	38.27 (3/1)	115.42 (11/9/63)	38.27 (3/1/75)
3	20-yr. Red. Deb. & Loans (15)	45.72	16.08	45.72	45.72	45.77	45.70	45.60	45.57	45.99	39.29	50.68 (21/5)	37.01 (3/1)	113.43 (25/10/63)	37.01 (3/1/75)
4	Investment Trusts Prefs. (15)	47.13	14.69	46.72	46.63	46.63	46.58	47.04	45.44	45.36	37.29	47.30 (29/7)	35.35 (3/1)	114.41 (13/9/63)	34.46 (4/12/74)
5	Coml. and Indl. Prefs. (20)	65.86	14.30	65.32	65.55	64.73	63.99	63.41	62.67	62.15	52.07	68.02 (6/3)	48.35 (3/1)	114.95 (7/10/63)	47.67 (6/1/75)

Section or Group	Base Date	Base Value	Section or Group	Base Date	Base Value
Overseas Traders	31/12/74	100.00	Miscellaneous Financial	31/12/70	128.06
Engineering (Heavy)	31/12/71	153.84	Food Manufacturing	29/12/67	114.13
Engineering (General)	31/12/71	153.84	Food Retailing	29/12/67	114.13
Wines and Spirits	10/1/70	135.72	Insurance Brokers	29/12/67	96.67
Toys and Games	16/1/70	135.72	Mining Finance	29/12/67	100.00
Office Equipment	16/1/70	153.74	All Other	10/4/62	100.00
Industrial Group	31/12/70	128.20	† Redemption yield.		

Calculated by Extel, Communications Limited (a member of the Exchange Telegraph Group) on an IBM 370 computer. A list of the constituents of the FT-Actuaries Share Indices is now available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by inland post 18p. Commonwealth 18p. Foreign 21p. FT-Actuaries indices are [illegible]

FINANCIAL TIMES STOCK INDICES

—	Oct. 30	Oct. 29	Oct. 28	Oct. 27	Oct. 24	Oct. 23	A year ago
Government Secs	57.84	58.05	58.13	57.90	58.12	57.84	52.11
Fixed Interest	58.66	58.66	58.57	58.60	58.81	58.63	52.45
Industrial Ordinary	352.0	352.5	360.1	354.0	356.7	351.4	197.6
Gold Mines	267.3	258.9	255.7	257.4	261.8	271.6	349.4
Ord. Div. Yld. %	6.01	6.00	5.89	5.96	5.94	6.02	10.07
Earnings Yld. % (full)	16.61	16.57	16.27	16.51	16.30	16.55	27.26
P/E Ratio (net) (a) (b)	8.57	8.59	8.75	8.62	8.72	8.59	5.11
Dealings marked	6,258	7,779	6,876	7,018	5,801	5,308	6,121
Equity turnover £m	—	63.72	68.60	53.19	83.67	58.76	40.84
Equity bargains total	—	15,541	15,514	16,478	16,821	14,614	12,665

10 a.m. 351.8. 11 a.m. 349.9. Noon 350.8. 1 p.m. 351.0. 2 p.m. 351.9. 3 p.m. 351.8.

Latest index 01-246 8026.

(a) Based on 52 per cent. corporation tax. (b) Nil=8.51.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. S.E. Activity July-Dec. 1942. †Corrected.

HIGHS AND LOWS

—	1975 High	1975 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	62.54 (20/5)	49.18 (3/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	62.51 (21/5)	50.65 (3/1)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	365.5 (6/6)	146.0 (6/1)	543.6 (19/5/72)	49.4 (26/6/40)
Gold Mines	442.3 (22/3)	231.8 (6/10)	442.3 (22/3/75)	43.5 (26/10/71)

S.E. ACTIVITY

—	Oct. 30	Oct. 29
Daily—		
Gilt-Edged	154.4	193.8
Industrials	210.1	256.1
Speculative	44.7	52.5
Totals	142.4	177.1
5-day Av'r'ge	164.7	165.8
Gilt-Edged		
Industrials	232.1	226.2
Speculative	46.5	47.4
Totals	153.6	149.2

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1975 high	1975 low
Slater Walker	25p	17	27	+4	[illegible]	20
ICI	£1	12	293	−1	[illegible]	118
Marks & Spencer	25p	11	101	+2	[illegible]	47½
BPB Inds.	50p	10	150	+1	[illegible]	43
"Bats"	25p	10	317	−4	[illegible]	164
Brit. Home Stores	25p	10	365	—	[illegible]	138
BP	£1	10	570	−3	[illegible]	190
Glaxo	50p	10	340	+3	[illegible]	198
Shell Transport	25p	10	372	−2	[illegible]	118
Barclays Bank	£1	9	300	+2	[illegible]	112
EMI	50p	9	222	—	[illegible]	62
Jacobs (J. I.)	20p	9	15	−½	[illegible]	11
Burmah Oil	£1	8	32	+1	[illegible]	27
Debenhams	25p	8	81	+1	[illegible]	25
English Prop.	50p	8	44½	+1	[illegible]	25

The above list of active stocks is based on the nu[illegible]r of bargains recorded yesterday in the Official list and under [illegible]e 163(1) (e).

Option Report—3-month C[illegible]ll rates

OPTION DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Oct. 28	Nov. 10	Jan. 22	Feb. 3
Nov. 11	Nov. 24	Feb. 5	Feb. 17
Nov. 25	Dec. 8	Feb. 19	Mar. 2

"Calls" were dealt in MEPC, Amalgamated In[illegible]stment, Slater Walker, Charte[illegible]all Finance, Archimedes In[illegible]stment Trust Capital, and [illegible]rho. "Puts" were done in I[illegible] BP, and Courtaulds, while [illegible]oubles" were arranged in Gr[illegible]l Metropolitan Warrants, Sla[illegible] Walker, and Lonrho.

Industrials							
A. P. Cement	15	Grand Met.	7	Slater Walker	9	[illegible]ines	
Assoc. Leisure	3	G.U.S. 'A'	17	Spillers	5	[illegible]nglo Amer.	50
Barclays Bank	25	Guardian	20	Tesco	6	[illegible]okenHill Prp	75
Beecham	28	G.K.N.	22	Thorn "A"	17	[illegible]arter Cons.	32
Boots Drug	12	Hawker Sidd.	27	Tube Invest.	24	[illegible]art'rb'll Fin.	10
Bowaters	16	House of Fraser	8	Unilever	35	[illegible]ons Gold	22
B.A.T.	30	Hudson(W'lms)	4	Utd. Drapery	1[illegible]	[illegible]e Beers Def.	35
British Leyland	7	I.C.I.	21	Vickers	1[illegible]	[illegible]S. Geduld	350
BOC Int.	5½	"Imps"	7	Woolworths	6	[illegible]reat Boulder	12
Burton 'A'	9	I.C.L.	7	Property		[illegible]ampton Areas	15
Cadburys	6	Inveresk	7	Cap. Counties	4	[illegible]ampton Prop.	4
Courtaulds	12	Legal & General	13	E.P.	8	[illegible]loof	140
Debenhams	8	Lloyds Bank	22	Int. Europe	6	[illegible]orbo	13
Distillers	13	"Lots"	6	Land Securities	1[illegible]	[illegible]oraine	55
Dunlop	5½	"Mams"	6	Peachey	6	[illegible]etals Explor.	8
Eagle Star	18	Marks & Sp'ncer	11	Town & City	4	[illegible]oseidon	55
E.M.I.	17	Midland Bank	25	Town & Comm.	4	Pres. Steyn	275
First National	2	Nat'l West Bank	22	Oils		Rio T. Zinc	20
G.R.A. Trust	4	P & O Dfd.	10	Brit. Petroleum	[illegible]	Welkom	55
Gen. Accident	16	Plessey	8	Burmah Oil	[illegible]	West Areas	75
Gen. Electric	13	R.H.M.	6	Shell	[illegible]	Western M'ng.	18
Glaxo	40	Rank Org. 'A'	17	Ultramar	[illegible]	Zambian Copp.	10
		Reed Int'l	23				

NEW HIGHS AND LOWS FOR 1975

The following securities (numbers in parentheses) among those quoted in the Share Information Service yesterday attained new highs and lows for 1975.

NEW HIGHS (36)

AMERICANS (1): Firestone Tire

CANADIANS (1): White Pass

BUILDINGS (6): BPB; Do. 7¾pc Cnv. 89-94; Bambergers; Harrison (J.); Mallinson (Wm.); Marshalls (Halifax)

CINEMAS (1): Anglia TV 'A'

STORES (2): Bremner; Martin Newsagents

ELECTRICALS (2): Decca; Decca 'A'

ENGINEERING (4): Gen. Eng. (Radcliffe); Sheepbridge; Tecalemit; Weir Group

FOODS (2): Avana; Lockwoods

HOTELS (1): Prince of Wales Hotel

INDUSTRIALS (7): AD Intnl.; Boot (Henry); Borg-Warner; Gallenkamp; Hoskins and Horton; McBride (R.); Valor Dfd.

INSURANCE (1): Ennia U.K. 9pc

MOTORS (4): Armstrong Equip.; Bluemel Bros.; Hartwells; Lucas Inds.

TEXTILES (1): Bulmer and Lumb

TOBACCOS (1): Dunhill (A.)

TRUSTS (1): Bridgewater

TEAS (1): McLeod Russel

NEW LOWS (6)

TRUSTS (3): Malit Secs.; Simonside; Lubok 12pc Conv.

TEAS (1): Tea Corpn.

MINES (2): Patino NV; Geevor

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	1	36	18
Corpns. Dominion and Foreign Bonds	2	10	59
Industrials	217	327	1,189
Financial and Prop.	63	166	370
Oils	5	13	15
Plantations	4	2	41
Mines	69	17	67
Recent Issues	2	13	22
Totals	363	584	1,781

REPLY COUPON SERVICE ENDING

The Post Office in line with most other Commonwealth countries, is to withdraw its Commonwealth reply coupons service, after abolition of the concessionary surface letter rate to the Commonwealth in March this year.

From this Sunday, people who want coupons—which can be exchanged for postage stamps at post offices in other countries, including Commonwealth nations — should use International Reply Coupons. These cost 13p each.

BASE LENDING RATES

AFI International	11 %
Allied Irish Banks Ltd.	11 %
Anglo-Portuguese Bank	11½%
Henry Ansbacher	11½%
Banco de Bilbao	11 %
Banco de Jerez	11½%
Bank of Cyprus	11 %
Bank of N.S.W.	11 %
Banque du Rhone S.A.	11½%
Barclays Bank	11 %
Barnett, Christie Ltd.	12 %
Bremar Holdings Ltd.	12 %
Brit. Bank of Mid. East	11 %
■ Brown Shipley	11½%
Cayzer, Bowater Co. Ltd.	11½%
Cedar Holdings	11 %
■ Charterhouse Japhet	11½%
C. E. Coates	11½%
Consolidated Credits	12 %
Continental Trade Bk.	11 %
Co-operative Bank	*11 %
Copleys Bank	12 %
Corinthian Securities	11 %
Credit Lyonnais	11 %
G. R. Dawes	12 %
Duboff Brothers	12 %
Duncan Lawrie	11 %
English Transcont.	12 %
First London Secs.	11 %
■ Antony Gibbs	11 %
Goode Durrant Trust	11 %
Greyhound Guaranty	11 %
Grindlays Bank	11 %
■ Guinness Mahon	11 %
■ Hambros Bank	11 %
Hawtin & Partners	13 %
■ Hill Samuel	§11 %
C. Hoare & Co.	†11 %
Julian S. Hodge	12 %
Industrial Bank of Scot.	11 %
Jacobs, Kroll	11½%
Keyser Ullmann	11½%
Knowsley & Co. Ltd.	12½%
Lloyds Bank	11 %
London & European	11½%
London Mercantile	11½%
Midland Bank	11 %
■ Samuel Montagu	11 %
■ Morgan Grenfell	11 %
National Westminster	11 %
Northern Comm. Trust	11½%
Norwich General Trust	11½%
Portman Guaranty	11 %
P. S. Refson & Co.	11 %
Rossminster Accept'cs	11 %
Royal Trust of Canada	12 %
Schlesinger Limited	11½%
E. S. Schwab	12½%
Security Trust Co. Ltd.	12½%
Shenley Trust	12½%
Standard Chartered	11 %
Sterling Credit	12½%
Thames Guaranty	11 %
Trade Development Bk.	11 %
Twentieth Century Bk.	12½%
United Bank of Kuwait	11 %
Whiteaway Laidlaw	11½%
Williams and Glyn's	11 %
Yorkshire Bank	11 %

■ Members of the Accepting House Committee.

* 7-day deposits 7%, 1-month deposit 7½%.

† 7-day deposits of sums of £10,000 and under 7%, up to £25,000 7½%, and over £25,000 8%.

§ Demand deposit 8¼%.

CORAL INDEX
Close 348-353

I.G. INDEX
GOLD 142½-145½

INSURANCE BASE RATES

† Atlantic Assurance	11½%
Cannon Assurance	9½%

† Address shown under Insurance and Property Bond table.

MONEY MARKET

Adequate cre[illegible]t supply

Bank of England Minimum Lending Rate 12 per cent. (since October 3, 1975)

Day-to-day credit was in good supply in the London money market again yesterday and the authorities did not intervene. Banks carried forward surplus balances, Government disbursements exceeded revenue payments to the Exc[illegible]uer, and a fall in the note c[illegible]lation was also in the market[illegible]vour. On the other hand there [illegible]s a net market take-up of Tre[illegible]y bills, and settlement was m[illegible]e of gilt-edged sales.

Discount[illegible]uses paid 10¼-11 per cent. for [illegible]ured call loans in the early [illegible]t and at the close funds wer[illegible]vailable at between 10¾ per ce[illegible] and 10⅞ per cent.

In the interbank market overnight loans commanded 10¾-11 per cent. at the start, and rates eased to 10½-10¾ per cent., before increasing to 10¾-11 per cent. at the close.

Short-term fixed period interest rates were generally slightly easier.

Rates in the table below are nominal in some cases.

Oct. 30 1975	Sterling Certificates of deposits	Interbank	Local Authority deposit*	Local auth. negotiable bonds	Finance House deposit	Company deposits	Discount market deposits	Treasury bills ǂ	Bank bills ǂ	Fine trade bills ǂ
Overnight	—	10¾-11	—	[illegible]	—	11⅝-12½	10¼-11	—	—	—
3 days notice	—	—	11-11⅛	[illegible]	—	—	—	—	—	—
†7 days or 7 days notice	—	11-11¼	11¼-11⅜	[illegible]	—	—	11-11⅛	—	—	—
One month	11⅛-11[illegible]	11¼-11[illegible]	11⅜-11½	[illegible]	11⅛-12⅛	—	11⅛	11[illegible]-11[illegible]	11⅜	12-11¾
Two months	11⅝-11[illegible]	11[illegible]-11⅝	—	[illegible]	11⅛-12¾	—	11⅛-11¼	11[illegible]-11⅝	11[illegible]-11[illegible]	12-11¾
Three months	11¾-11⅝	11⅝-11¾	11⅝-11¾	[illegible]	11¾-12¾	—	11⅞-11¼	11½-11[illegible]	11½	12¼-12
Six months	12-11⅞	11[illegible]-11[illegible]	11¾-12	12[illegible]	12-13	—	—	—	11¾	12½-12⅜
Nine months	12[illegible]-11[illegible]	11⅞-12	—	12[illegible]	12-13	—	—	—	—	—
One year	12[illegible]-11[illegible]	11⅞-12	12⅜-12½	12[illegible]	12½-13½	—	—	—	—	—
Two years	—	12½-12⅝	12⅞-13¼	[illegible]	—	—	—	—	—	—

† Local authority and finance houses seven days' [illegible]e, others seven days' fixed. * Long-term local authority mortgage rate nominally three years 13¾-13⅞ per cent.; four y[illegible] 14-14¼ per cent.; five years 14-14¼ per cent. ǂ Bank bill rates in table are buying rates for prime paper. Buying rat[illegible]r four-month bank bills 11⅞ per cent.; and four-month trade bills 12¼ per cent. Approximate selling rates for one-m[illegible] Treasury bills 11[illegible] per cent.; two-month 11[illegible]-11[illegible] per cent.; three-month 11[illegible]-11[illegible] per cent. Approximate selling ra[illegible]r one-month Bank bills 11½ per cent.; two-month 11[illegible] per cent.; and three-month 11[illegible]-11½ per cent.; for one-mont[illegible]ade bills 11½-11[illegible] per cent.; two-month 11½ per cent.; and three-month 11[illegible]-11½ *per cent.*

Finance House Base Rate (published by the [illegible]e Houses Association) 11 per cent. from October 1. Clearing Bank Deposit Rates for small sums at seven days' notic[illegible] per cent. Clearing Bank Rate for lending 11 per cent. Treasury Bills: Average tender rates of discount 11.4818 per cent.

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AUTHORISED UNIT TRUSTS

REGIONAL MARKETS

Following the merger last year of U.K. stock exchanges, a selection of the share prices previously shown under regional headings is presented below with quotations on London. Irish issues, most of which are not officially listed in London, are shown separately and with prices as on the Irish exchange.

Albany Inv. 20p	16	......	Graig Ship £1	390	......	Shiloh Spinn	23	−2
Ash Spinning	37	......	Hallam Sleigh 10p	6	......	Sindall (Wm.)	50	......
Bertam	18	......	Higsons Brew	90	......			
Bdg'wtr. Est. 50p	125	......	I O.M. Stm. £1	115	......	IRISH		
Clover Croft	35	......	Holt (Jos.) 25p	250	−5			
Craig & Rose £1	315	......	Kicen-e-Ze	18	......	Alliance Gas (£1)	64	−1
Dyson (R.A.)	30	......	Lovell's Ship £1	95	......	Carroll (P.J.)	126	......
Ellis & McHdy	58	......	N'thn. Goldsmith	90	......	Clondalkin	45xd	......
Evans Fr'k. 10p	33	......	P.M.A.	26	+1	Concrete Prods.	77	......
Evered	5	......	Pearce (C.H.)	60	......	Goodbody (£1)	28	......
File Forge	47	......	Peel Mills	12	......	Heiton (Hldgs.)	29	......
Finlay Pkg 5p	35	......	Richards 10p	12½	......	Irish Distillers	68	......
Frost & Reed 50p	110	......	RobbCaledon 5p	34	−2	Irish Wire	40	......
Gardiner & Sons	11	......	Sayers 12½p	8	......	Jacob	65	......
Gardner (L.)	55	......	Sheffield Brick	64	......	Sunbeam	11	......
			Sheff. Refrshmt.	141	......	Unidare	64	−2

FOOD PRICE MOVEMENTS

	Oct. 30 £	Week ago £	Month ago £
BACON			
Danish A.1 per ton†	930	930	870
British A.1 per ton†	930	930	870
Irish Special per ton†	930	930	870
Polish A.1 per ton†	—	—	—
Ulster A.1 per ton¶	930	920	870
BUTTER (packet)			
NZ per 20 lbs†	7.43- 7.49	7.43- 7.49	7.43- 7.48
English per cwt†	45.39	45.39	45.39
Danish salted per cwt†	45.63-46.54	45.30-46.45	45.30-46.95
CHEESE¶			
English cheddar white rindless per tonne	—	—	—
NZ per tonne	780.5	780.5	780.5
EGGS*			
Home-prod. Standard	2.60- 2.80	2.40- 2.60	2.90- 3.10
Large	2.85- 3.00	2.60- 2.90	3.00- 3.40
	Oct. 30 per pound p p	Week ago per pound p p	Month ago per pound p p
BEEF			
Scotch killed sides ex KKCF	31.0—34.0	30.0—33.0	30.0—34.0
Eire forequarters	23.0—27.0	23.0—24.0	23.0—25.0
Argentine chilled rumps	—	—	—
LAMB			
English	30.0—33.0	30.0—32.0	28.0—32.0
NZ 2s-Ds	29.0—31.5	23.0—31.5	25.0—31.5
PORK (all weights)	26.0—33.0	26.0—38.0	25.0—38.0
MUTTON			
English ewes	13.0—16.0	12.0—13.0	11.0—12.0
POULTRY			
Broiler chickens	21.5—26.5	22.0—27.0	23.0—27.0

* London Egg Exchange price per 120 eggs. † Delivered. ¶ For delivery November 1-8.

INSURANCE, PROPERTY, BONDS

OFFSHORE AND OVERSEAS FUNDS

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FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

1975 High	Low	Stock	£	+ or −	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
99⅝	94[illegible]	[illegible] 5½pc 1976	98[illegible]	+[illegible]	6.51	11.55
97¾	92[illegible]	Treasury 6½pc 1976	96[illegible]	.....	6.76	11.61
99	97	Victory 4pc 1976	99½	.....	4.04	—
102	96⅞	Treasury 10½pc 1976	98[illegible]	.....	10.63	11.65
95¼	88[illegible]	Treasury 6¼pc 1977	94¼	.....	6.63	10.89
9[illegible]	86[illegible]	Electric 3pc '74-77	93¼	.....	3.20	7.88
103[illegible]	95[illegible]	Treasury 11½pc 1977	100[illegible]	−[illegible]	11.44	11.16
90½	84	Treasury 3pc 1977	90½xd	.....	3.31	8.14
90[illegible]	84½	Transport 4pc '72-77	90[illegible]	−½	4.43	9.11
9[illegible]	90[illegible]	Treasury 9pc 1978	93[illegible]	−[illegible]	9.59	12.06
100[illegible]	95	Treasury 10[illegible]pc 1978	96[illegible]	.....	10.86	11.92
87½	79	Exchequer 5pc '76-78	86¼		5.80	10.60
103	94[illegible]	Treasury 11½pc 1979	98[illegible]	−[illegible]	11.65	11.97
79½	71[illegible]	Treasury 3pc 1979	78[illegible]	−[illegible]	3.85	9.87
81[illegible]	73[illegible]	Electric 4¼pc '74-79	80¼	−⅛	5.30	10.55
100[illegible]	94½	Treasury 10½pc 1979	95¼xd		11.02	12.02
79½	71	Electric 3½pc '76-79	78¼xd	−⅛	4.47	10.20
95	84	Treasury 9pc 1980	88[illegible]	−⅛	10.15	12.45
95[illegible]	85[illegible]	Treasury 9½pc 1980	89[illegible]xd	−⅛	10.60	12.58
79	68¼	Treasury 3½pc '77-80	77		4.54	9.80
84½	71	Funding 5¼pc '78-80	82	.....	6.40	10.22
		Five to Fifteen Years				
96½	95[illegible]	Treasury 11½pc 1981	96	.....	12.04	12.69
76½	66[illegible]	Do 3½pc '79-81	74[illegible]	.....	4.73	9.91
91[illegible]	72[illegible]	Do 9¾pc '80-82	85[illegible]	.....	10.19	12.39
104[illegible]	86[illegible]	Treasury 12pc 1983	96[illegible]	.....	12.57	12.97
78	58	Funding 5½pc '82-84	72[illegible]	.....	7.77	10.99
85¼	61[illegible]	Treasury 8¼pc '84-86	80	.....	10.98	12.35
73¼	51[illegible]	Funding 6½pc '85-87	66¼xd	−⅛	9.81	11.98
76[illegible]	53	Treasury 7¾pc '85-88	71[illegible]	.....	11.22	12.80
47¼	32[illegible]	Transport 3pc '78-88	43[illegible]	−¼	7.06	11.89
56[illegible]	39[illegible]	Treasury 5pc '86-89	50[illegible]xd	−¼	9.83	12.59
75½	53¼	Treasury 8½pc '87-90	69[illegible]	−¼	12.47	13.64
		Over Fifteen Years				
57[illegible]	41[illegible]	Funding 5[illegible]pc '87-91	51	−¼	11.37	13.40
9[illegible]	[illegible]	Treasury 12[illegible]pc '92	85[illegible]	−¼	14.84	15.10
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Undated

[illegible]

**INTERNATIONAL BANK

[illegible]

**CORPORATION LOANS

[illegible]

COMMONWEALTH & AFRICAN LOANS

[illegible]

LOANS (Miscel.)

[illegible]

FOREIGN BONDS & RAILS

[illegible]

U.S. $ DM Prices exclude inv. $ premium

AMERICANS

[illegible]

S.E. List Premium 81[illegible]% (based on $2.0735 per £)

CANADIANS

[illegible]

S.E. List Premium 81[illegible]% (based on [illegible] per £)
Conversion factor 0.6191 (0.6[illegible])

††BANKS AND HIRE PURCHASE

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER & ROADS

[illegible]

BUILDING INDUSTRY—Continued

[illegible]

CHEMICALS, PLASTICS

[illegible]

CINEMAS, THEATRES AND TV

[illegible]

DRAPERY AND STORES

[illegible]

DRAPERY AND STORES—Continued

[illegible]

ELECTRICAL AND RADIO

[illegible]

ENGINEERING, MACHINE TOOLS

[illegible]

ENGINEERING—Cont.

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

HOTELS & CATERERS

[illegible]

HOTELS—Continued

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

هكذا من الأصل

هكذا من الأصل

INDUSTRIALS—Continued

INDUSTRIALS—Continued

INSURANCE

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPBUILDERS, REPAIRERS

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

TRUSTS—Continued

Finance, Land, etc.

OILS

OVERSEAS TRADERS

RUBBERS AND SISALS

TEAS

India and Bangladesh

Sri Lanka

Africa

CENTRAL RAND

EASTERN RAND

FAR WEST RAND

O.F.S.

FINANCE

DIAMOND AND PLATINUM

CENTRAL AFRICAN

AUSTRALIAN

TINS

COPPER

MISCELLANEOUS

High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
8½	3	Burma Mine 17½p	8	......	m0.5	—	17
65	17	Charterhall 5p	40½	−½	—	—	—
115	40	Colby Mines $1	66	+1	—	—	—
760	360	Cons. Murch. 10c	710	+20	‡Q130c	2.2	‡
53½	29½	Laurasia	37½	......	—	—	—
375	200	Northgate C$1	230	−15	Q65c	1.0	13.5
211	80	R.T.Z.	173	......	g5.51	4.4	5.0
135	47½	Sabina Inds. C$1	85	......	—	—	—
81	45	Staniard Mines $	45	......	—	—	—
£12½	875	Tara Explo. $1	£10½	+⅛	—	—	—
78	38	Yukon Cons C$1	54	......	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- A Sterling denominated securities which include investment dollar premium.
- • "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ϕ Figures or report awaited.
- †† Banks and Insurance: reserve allocations may preclude calculation of dividend cover.
- ∮ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress.
- ♦ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated
- ∮ Based on 1973 profits.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ♦ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. q Earnings based on preliminary figures. r Australian currency s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment. Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. H Figures based on prospectus or other official estimates for 1974-75. Q Gross. T Figures assumed U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 30

FINANCIAL TIMES
Friday October 3 1975

Unions increase pressure for early reflation

BY JOHN ELLIOTT, LABOUR EDITOR

THE FIRST signs of a sharp increase in pressure from the TUC for the Government unilaterally to reflate the U.K. economy if it does not reach an international agreement at next month's summit emerged last night at talks beween the Prime Minister and union leaders.

At the same time, union leaders felt they had made some headway in persuading the Government to introduce selective import controls although the Prime Minister refused to go further than endorse remarks made in Brussels on Wednesday by Mr. Peter Shore, Trade Secretary, that such protective action might be taken.

The talks in Downing Street had been called by the Prime Minister to discuss with union leaders—as he did with the CBI on Monday—the line the Government should take at the Paris economic summit which will be immediately followed by an EEC economic conference.

TUC leaders seized on the occasion to leave no doubt in the minds of senior Ministers at the meeting that the unions are becoming increasingly concerned about the level of unemployment and that they expect some form of early reflationary action to boost the economy.

If this is not taken, the social contract style of harmonious relationship which has continued with the Labour Government since it was elected last year could become endangered within a few weeks—although this was not spelt out last night.

Mr. Len Murray, TUC general secretary, said after the 90-minute talks that the Government had been "very sympathetic to the TUC's view that there is a need for concerted international action to stimulate employment in the industrialised countries."

Mr. Murray said that on this the TUC had been "pushing at an open door." He also acknowledged the need for inflation to be brought under control before wide-ranging reflation could be taken and stressed that the TUC was not calling for the U.K. to embark on a "massive consumer-led boom."

On import controls, the TUC presented their nine-point plan aimed at curbing dumping and protecting potentially viable industries from foreign competition. This forms part of the "strategy for economic recovery" wanted by the TUC whose leaders may resent expected attempts by the Government to make its proposed new industrial strategy a broad-based exercise rather than an attempt to single out industries for special favourable treatment.

The Prime Minister stressed that the Government did not want to "risk plunging the world into competitive protectionism" with import controls and he refused to tell the TUC that the Government would go along with their demands.

Doctors in bid to solve deadlock

By Christian Tyler Labour Staff

NEGOTIATIONS ON the hospital junior doctors' overtime dispute were ontinuing late last night, with doctors' leaders and the Depaiment of Health struggling to retrieve a situation which virtually broke own earlier in the day.

Meanwhile, about on-third of the 19,000 junior hospital doctors were continuing industrial action in many pars of the country.

After a meeting with Department of Health officals at British Medical Associaton headquarters in London, failed to resolve the deadlock, talks moved to the Department of Health, where Social Services Secretary Mrs. Barbara Castle last night tried an eleventh-hour rescue.

The Government has insisted—reiterated, last night by Mrs. Castle—that no more money could be paid out for overtime under the juniors' new contract than was paid before. But she reaffirmed that the Government was prepared to redistribute the £12m. already spent on overtime so that no doctor loses money under the new contract.

Unless a way out can be found, and Government is determined not to break the counter-inflation policy for the doctors' sake, about a third of the doctors stand to get less money than before out of a re-divided overtime kitty of £12m. a year.

The rest of them would do better under the new contract, which pays overtime after 44 hours instead of 40 hours a week—but not at the old overtime rate.

The Department of Health said yesterday the industrial action had spread further. In many areas junior doctors are dealing with emergency cases only.

THE LEX COLUMN

Hawker flies into U.S. snags

Hawker Siddeley's attempt to buy a stake in Onan Corporation has stalled—at least for the moment—and with no interference from the Federal authorities or price difficulties, the snag seems to have been over the possible acquisition of an eventual majority interest. Hawker was saying last night that it had not changed its position and that the way was still open for some sort of deal involving Onan with Studebaker-Worthington, holder of most of the shares, though there are no detailed proposals.

The great advantage of this type of deal for Hawker is that it would be a direct entry into the U.S. diesel market with the acquisition of both a dealer network and manufacturing facilities. This would be much easier than starting up from scratch, which Hawker may have to consider if any further talks about Onan get nowhere. Few alternative ready-made opportunities are suitable. The group certainly remains committed to expanding its diesel interests in the U.S. by an equity involvement rather than licensing. And it still has the $40m. from the sale of de Havilland Canada, though it presumably cannot postpone a decision indefinitely under the Bank of England's guidelines exempting repatriation on a transfer from one direct investment to another.

Index fell 0.5 to 352.0

% FALL IN PUBLISHED PRE-TAX PROFITS

	Total	Total plus Monetary gains
Bldg. Materials	64	12
Construction	72	12
Electricals	58	35
Heavy Eng'g.	122	71
Motors	116	49
Food retail.	90	16*
Breweries	38	40*
Food Manfg.	63	2
Paper	85	39
Stores	30	9
Textiles	48	9
Tobaccos	48	1*
Chemicals	58	38
Oils	147	129
Shipping	48	10*
Banks	7	31
Total (excluding banks and oils)	58	15
Total forecast profits	59	10*

* Rise

Sandilands

The accountants are due to produce their thoughts on Sandilands next week, and the betting is that they will accept the basic proposals subject to a number of CPP adjustments. Meanwhile, brokers Phillips and Drew have revised their original estimates of the potential impact on company profits—and outlined some of the practical problems which this more subjective accounting system might present.

Overseas operations will be one grey area, and not simply because of the lack of adequate indices in some countries. Where stocks are held overseas, the change in their aggregate value during a trading period will have to be split into not two but three components—volume, cost, and the change in value of sterling. The suggestion is that the result of parity changes should be excluded from operating profits under current cost principles.

Other difficulties which the brokers have had to take into account include the definition of stock appreciation and stock profits—two terms which Sandilands says are synonymous. And with long-life stocks—whisky, for instance—CC principles could overstate the holding gain in any one [illegible]

The cal[illegible] have been done both [illegible] without the CPP mon[illegible]adjustments, and have been applied to forecast as well as historic figures. Last year, when working capital costs were shooting ahead, the stock adjustment to total profits was very much greater than the change in depreciation: it knocked historic cost figures by 38 per cent. against 17 per cent. for the depreciation component. On the forecast figures, the two sets of adjustments move much closer together.

The figures underline the wide disparities which might show up within individual sectors. Thus the brokers' profits forecast for Coats Patons falls by two fifths under Sandilands accounting, whereas Courtaulds' disappear; Marks and Spencers' slips a sixth, while BHS falls by a third; GKN drops by four fifths—but most of the other general engineers scarcely make any profits at all.

If all gains other than operating profits were to be excluded, about a fifth of the companies analysed would be making losses, half would have uncovered dividends, and the average p/e ratio would rise to about 25. But under those circumstances, it is hard to believe that price controls on historic cost principles still be enforced.

James Finlay

James Finlay's in[illegible] profits are a tenth ah[illegible] £1.4m. pre-tax—right in with expectations. but market has other things o[illegible] mind at present. Two [illegible] ago Finlay announced that reorganisation of its c[illegible] stakes in four major associates was once again u[illegible] discussion, implying add[illegible] to assets but possible dil[illegible] to earnings: and this week management changes at S[illegible] Walker have been p[illegible] questions about the futur[illegible] the latter's 26 per cent. stake Finlay.

The possibility of a placi[illegible] obviously a worry for [illegible] market capitalisation at 13[illegible] £12m., and because of divi[illegible] controls the prospective yi[illegible] still only 4.6 per cent.; [illegible] from 1975 earnings should [illegible]fortably top five times. [illegible] profits this year could ma[illegible] their interim progress an[illegible] tax charge is coming down [illegible] 60 per cent. to a "more n[illegible] level." Meantime, a satisfa[illegible] solution to the cross-hol[illegible] among the tea associates [illegible] be a step towards reduced dependence on tea produ[illegible] There are no inter-ba[illegible] links between Finlay Co[illegible]tion (the group bank) [illegible] Slater Walker, and stri[illegible] out FC still leaves the [illegible] with net cash in its balance sheet.

Glaxo

The best news in the [illegible] accounts is the suggestion [illegible] demand and margins [illegible] beginning to recover in bulk pharmaceutical m[illegible] But cost pressures are mounting. For example, [illegible]d spending has been quan[illegible] for the first time and is [illegible] running at an annual ra[illegible] £14m. after bouncing by a [illegible] to nearly £11m. last [illegible] (almost the same as Beec[illegible] figure). Elsewhere, U.K. costs will rise by nearly a [illegible] this year following [illegible] settlement.

The accounts throw no light on this summer's r[illegible] issue: thanks partly to [illegible] deferrals, net cash came w[illegible] £6m. of covering substan[illegible] higher capital spending [illegible] working capital requirem[illegible] over the year. And they [illegible] vide no powerful reason f[illegible] reversal of the recent price weakness.

Reynolds offer for Burmah in U.S.

BY STEWART FLEMING

R. J. REYNOLDS Industries, the diversified U.S. manufacturing concern, has now made an offer to buy Burmah Oil's U.S. oil operations, which Burmah itself believes to be worth in excess of $550m.

A brief statement from Burmah yesterday said Burmah had received a proposal from Reynolds to buy Burmah Oil Inc., which includes Burmah Oil and Gas, and Burmah Oil Development.

It added that Burmah Castrol Inc., Flexibox Inc. and Petrocarbon Developments Inc. would not be included in the proposed sale.

Mr. Alastair Down, Burmah's chairman, said that until Burmah had studied the proposal and decided whether or not to pursue negotiations, any comment on it would be premature.

An announcement about whether negotiations would be entered into will be made within a week, he added.

This cautious statement is apparently not meant to imply that the terms of the Reynolds offer are unattractive, but rather, it seems that the offer is a complicated one in some sense.

Reynolds, the largest U.S. producer of cigarettes, has an oil subsidiary, American Independent, and also is engaged in container shipping.

It announced in September that it was conducting a feasibility study into the possible purchase of Burmah's U.S. oil interests.

Burmah had announced in April that on the recommendation of its U.S. investment bankers, it had decided to sell off the U.S. subsidiaries in order to repay its dollar debts which have been guaranteed by the Bank of England.

Such a sale would, of course, still leave Burmah to tackle the formidable tanker problems it is facing.

Burmah's shares closed 1p up at 32p yesterday.

Machine tool orders at worst level in 20 years

BY HAROLD BOLTER, INDUSTRIAL EDITOR

SOME COMPANIES in the U.K. machine tool industry are now operating at a bare 30 per cent. of capacity, it was revealed yesterday as the Department of Industry released a new series of highly depressing statistics.

Sales, new orders and order books for both home and export markets show a continuing pattern of declining activity and the Machine Tool Trades Association can see no signs of an upturn before the second half of next year.

Although the machine tool manufacturers have managed to hang on to skilled labour so far, doubts are beginning to creep in whether they will be able to do so for the next eight months or more.

The home market order situation is as grim as anyone in the industry can remember for 20 years and it is only because export markets have held up fairly well until now that the industry has been able to keep production at even to-day's reduced rate, which rarely exceeds 60 per cent. of capacity.

But there is cause for considerable concern on the export front, too. Although sales are being reasonably well maintained, the provisional figures released by the DoI yesterday point to a very serious slump in new orders from overseas.

The statistics show that new export orders in the three months from May to July this year were worth only £19.4m., some 32 per cent. less than the previous three months and 51 per cent. below the comparable figure in 1974.

New orders for the home market in the May-July period were worth £32.2m., by comparison, a drop of 10 per cent.

The Department's figures suggest that although orders on hand at the end of July continued to show a decline, they still correspond to about eight months and 11 months work respectively at recent rates of very low activity.

Home orders on hand stood at £108.6m. at the end of July and overseas orders outstanding at £122.8m.

Unfortunately, the Department of Industry's figures are three months out of date, and since they were collated the order book situation has worsened considerably.

It should also be noted that the DoI's statistics are expressed in value terms and, in view of price inflation, they must reflect an even bigger fall in volume demand.

This applies to the comparison of sales figures for the three months May-July, which indicate that the value of home market sales was £37.8m. (down 15 per cent. on the previous three months) and export sales were worth £30.2m. (down 7 per cent.).

The machine tool manufacturers are clearly hoping that the home order situation will improve when British Leyland has completed its plans for modernisation and expansion and begins to place contracts.

On the other hand, the news that Chrysler is considering selling out in the U.K. has caused considerable consternation.

London Tin: Charter may make bid move

BY MARGARET REID

CHARTER CONSOLIDATED, the large mining finance house which has a big stake in Slater Walker Securities' former associate Haw Par Brothers International, is believed to be taking part in talks towards settling the long-running issue of a possible bid for London Tin Corporation.

Haw Par is the largest shareholder in London Tin. The City Take-over Panel long ago called for Haw Par or the Malaysian state group Pernas Securities to make a bid for London Tin, either singly or together.

This emerged yesterday as interest, following the upheaval launched by Mr. Jim Slater's resignation as chairman of SWS, switched again to Haw Par, which has a £14m. loan from SWS which is the subject of an official inquiry in Singapore.

Haw Par, which held a Board meeting in Singapore during the day, was to have linked, under a controversial and abortive £25m. deal this summer, with the Malaysian State-controlled Pernas Securities.

When the tie-up project fell through, Pernas, with some 20 per cent. of London Tin, and Haw Par with nearly 30 per cent., were left with a "joint and several responsibility" to the London Take-over Panel to mount a bid for the rest of London Tin. (Those who have acted in partnership to build up a total stake of this size are expected, under the take-over code, to make a general offer to all shareholders.)

Intensive discussions as to how this obligation can be discharged are now under way in the East and in London, where Pernas is advised by N. M. Rothschild and Sons, which has also just been appointed joint-adviser to SWS.

There is no reason to think that Pernas' interest in London Tin has diminished, while Charter, a major company in the Anglo-American group, is itself involved in Malaysian tin, through its stakes in Tronoh Mines, Sungei Besi and other companies.

Director

Mr. Neil Clarke, finance director of Charter, which bought half of SWS's stake in Haw Par last year, was at the latter's Board meeting yesterday, as a director.

One possibility much discussed in financial circles is that London Tin's domicile might be transferred to Malaysia, a move raising the value of its shares by raising the value of its shares by attracting the investment premium.

Maudling attacks hint over Poulson links

BY RICHARD EVANS, LOBBY CORRESPONDENT

MR. REGINALD MAUDLING, "shadow" Foreign Secretary, issued a statement last night attacking what he described as a campaign of innuendo over his link with Mr. Poulson, the architect jailed for corruption.

He declared that since he resigned as Home Secretary more than three years ago, no-one had produced a single shred of evidence that at any time, when he was connected with Mr. Poulson, he had acted illegally.

"Now that more than three years have passed, it seems reasonable to suggest that those who have been pursuing me with a campaign of innuendo, should either come forward in public and state any accusations they have to make, so that I can dispose of them or in future hold their tongues," he declared.

"Surely even a politician is entitled to this measure of justice?"

Mr. Maudling's anger was based on a letter Mr. Sam Silkin, the Attorney General, sent to Mr. Dennis Skinner, Labour MP for Bolsover, which stated that the Government's law officers had taken no decision about Mr. Maudling and had given no-one any assurances that he would not be prosecuted.

"This may well be factually correct," Mr. Maudling states. "I have never wanted nor sought any such assurance, nor am I aware of any circumstances which would call for such a decision."

The publication of the Attorney General's letter has greatly embarrassed both Mr. Maudling and Mrs. Thatcher.

It had been widely assumed that when Mr. Thatcher took over the Conservative leadership and invited Mr. Maudling to join her "shadow" Cabinet, his connection with Mr. Poulson had ceased to be an issue.

It was stressed at Westminster last night that Mr. Maudling would continue as "shadow" Foreign Secretary and would lead for the Opposition in the Commons debate on foreign affairs on Monday week.

In his statement, Mr. Maudling said he had resigned as Home Secretary in the summer of 1972 for the sole reason that he had thought it wrong to continue in that office while Mr. Poulson's affairs were under investigation, because the Home Secretary was nominally responsible for the activities of the Metropolitan Police.

Both Mr. Maudling and his "shadow" Cabinet colleagues are surprised an annoyed that the Attorney General did not observe the courtesy of sending him a copy of the letter to Mr. Skinner.

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U.K. biologist

DR HUGH HUXLEY, a British molecular biologist, has won a $C10,000 award for his research into how the muscles of the body work and how they are affected by disease. The award is from the Gairdner Foundation.

Dr. Huxley, of the Medical Research Council Laboratory of Molecular Biology, Cambridge, has used the techniques of electron microscopy and X-ray diffraction to study muscle and isolated components of the contractile mechanism.

Weather

U.K. TO-DAY

CLOUDY with occasional rain. Bright spells in places.

London, S.E. England, E. Anglia
Cloudy, occasional rain. Wind S. to S.W., moderate or fresh. Max. 13C (55F).

N.W. and Cent. England, Midlands, Channel islands
Rain, then sunny spells and showers. Wind S. to S.W., fresh or strong. Max. 13C (55F).

E. and N.E. England
Rain, clearer later. Wind S., moderate or fresh. Max. 13C (55F).

Lakes, Borders, Edinburgh, Dundee, S.W. and N.W. Scotland, Glasgow, Cent. Highlands, Argyll
Rain, then sunny spells and showers. Wind S., moderate or fresh. Max. 12C (54F).

Aberdeen, Moray Firth, N.E. Scotland, Orkney, Shetland
Cloudy, some rain. Wind S.E., moderate or fresh. Max. 11C (52F).

S.W. England, Wales, I. of Man, N. Ireland
Showers or rain, sunny intervals. Wind S. or S.W., fresh to strong. Max. 13C (55F).

Outlook: Showers or rain, bright spells.

Lighting-up: London 17.07; Manchester 17.11; Glasgow 17.11; Belfast 17.22.

BUSINESS CENTRES

		Y'day Mid-day °C	°F			Y'day Mid-day °C	°F
Amsterdm.	F	13	55	Manchstr.	C	15	59
Athens	F	20	68	Melbourne	R	16	61
Bahrain	S	29	84	Mexico C.	S	20	68
Barcelona	S	20	68	Milan	S	15	64
Belfast	C	15	59	Montreal	C	7	45
Belgrade	F	15	59	Moscow	C	4	39
Berlin	C	4	39	Munich	S	14	57
Birmghm	C	16	61	Newcastle	C	11	52
Bristol	F	16	61	New York	C	9	48
Brussels	S	17	63	Oslo	S	13	55
Budapest	Fg	6	43	Paris	C	14	57
B. Aires	S	22	72	Perth	S	21	70
Cairo	S	26	79	Prague	S	6	43
Cardiff	S	17	63	Reykjavik	F	4	39
Cologne	F	13	55	Rio de J'o	C	25	77
Copnhagn.	C	10	50	Rome	S	18	64
Dublin	F	16	61	Singapore	S	29	84
Edinb'rgh	C	17	63	Stockholm	C	6	43
Frankfurt	C	4	39	Strasbourg	S	10	50
Geneva	Fg	5	41	Sydney	S	27	81
Glasgow	C	15	59	Tehran	S	19	66
Helsinki	S	1	34	Tel Aviv	S	27	81
H. Kong	C	20	68	Tokyo	R	15	59
Jo'burg	C	27	81	Toronto	S	6	43
Lisbon	F	21	70	Vienna	S	7	45
London	F	16	61	Warsaw	C	2	36
Luxembrg.	S	11	52	Zurich	F	5	41
Madrid	S	19	66				

HOLIDAY RESORTS

		Y'day Mid-day °C	°F			Y'day Mid-day °C	°F
Ajaccio	S	19	66	Jersey	S	16	61
Algiers	S	25	77	Las Plms	C	22	72
Biarritz	S	24	75	Locarno	S	17	63
Blackpool	C	14	57	Majorca	S	22	72
Bordeaux	S	20	68	Malaga	S	21	70
Boulogne	C	13	55	Malta	S	21	70
Casablnca.	F	32	90	Nairobi	S	21	[illegible]
Cape Tn.	C	22	72	Naples	S	19	66
Corfu	S	22	72	Nice	S	18	64
Dubrovnik	S	20	68	Nicosia	F	22	72
Faro	F	22	72	Oporto	C	20	68
Florence	F	13	55	Rhodes	S	21	70
Funchal	S	22	72	Salzburg	S	13	55
Gibraltar	C	19	66	Tangier	S	25	77
Guernsey	S	18	64	Tenerife	S	20	68
Innsbruck	S	16	61	Tunis	S	21	70
Inverness	F	14	57	Valencia	S	19	66
I. of Man	C	14	57	Venice	F	10	50
Istanbul	F	16	61				

S—Sunny. F—Fair. C—Cloudy. R—Rain. Fg—Fog.

Continued from Page 1

NEDO backs growth sectors

difference is that, while the spread of German productivity within industry has tended to narrow as the less efficient have been brought up to the level of the more efficient, the spread of productivity in the U.K. has continually widened.

Besides a few selected industries such as glass and pottery, virtually all British industries have suffered from a lower productivity growth than their Germany counterparts, even when the higher overall growth of the German economy is discounted, the study says.

It also suggests that there are worrying signs among the most efficient parts of British industry that companies are improving productivity at the expense of overall growth in output, implying a "holding" operation in which further growth is being sacrificed.

It is this analysis of the overall spread of productivity within industries—over and above its dismal summary of the decline of British manufacturing industry as a whole—that NEDO clearly regards as its most valuable contribution to next week's debates on an industrial strategy.

Although the document it has circulated carefully eschews any clearly stated conclusions, its obvious implication is that the country could sustain a period of "unusual" growth if it concentrated on raising the average level of productivity in the most important industrial sectors.

In particular, it picks out the engineering sector where, its analysis suggests, productivity could be improved by 10 per cent. to 20 per cent. in individual sectors if the standards of the lowest 10 per cent. of establishments were raised to those of the top 10 per cent.

If this was achieved across this industry alone, total increase in manufacturing productivity for the nation could be raised by nearly 5 per cent., it concludes.

NEDO's views may receive support from industry, which remains suspicious of the State involvement implied in a selective approach.

The strength of feeling which some industrialists have on the issue was indicated yesterday by Lord Seebohm, chairman of Finance for Industry.

Behind the Government policy, he told a Junior Chamber of Commerce dinner in Bristol, was the "dreamlike belief" that private industry could continue to support the vast overheads needed to achieve our planned egalitarian society and provide for its own expansion and modernisation.

"In place of State planners, armies of bureaucrats, National Enterprise Boards, threats and coercion, let us get to the heart of the problem by recreating the right conditions for initiative and enterprise," he concluded.

At this stage, however, NEDO is hoping that the differences of approach are more that of emphasis than of fundamentals.

Isle of Man has record tourism year

By Michael Thompson-Noel

THE ISLE of Man yesterday claimed a record year for tourism. Total passenger arrivals during the five summer months totalled 529,913, 12.17 per cent. higher than in 1974. In addition, the Manx tourist season had been successfully extended to include May and September.

The Manx Government's net income from tourism in 1973-74, the last year for which figures are available, was £7.9m. Tourism was thus its second most important revenue earner after insurance, banking and finance.

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